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Individual Income Tax Returns 1986

Returns Filed, Sources of Income, Exemptions, Itemized Deductions, and Tax Computations

Statistics of Income Division
Internal Revenue Service
Publication 1304 (Rev. 7-89)

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Department
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Service

Individual Income Tax Returns

Publication 1304 (Rev. 7–89)

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax Model File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

The issuance of this publication was delayed because of staff resources devoted to the implementation of provisions contained in the Tax Reform Act of 1986.

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Individual Income Tax Returns
Washington, DC 1989

SOI STATISTICAL SERVICES

(Available from Statistics of Income Division)

As part of the Statistics of Income program a series of special services is now being offered to data users (see below). Detailed information on these statistical services can be obtained by writing to Director, Statistics of income Division (TR:S), Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Purchase is by check made payable to the IRS Accounting Section.

Studies of International Income and Taxes, Publication 1267 — Price $45.00

Purchase price includes a 516-page document for 1979–83 that presents information from 13 Statistics of Income studies in the international area, including:

- Foreign activity of U.S. corporations
- Activity of foreign corporations in the U.S.
- Foreign interests in U.S. corporations
- Statistics related to individuals, trusts, and estates
- Data presented by—
  geographical area or industrial activity, as well as other classifiers

Purchasers of this service also will be provided with additional information for one year as it becomes available. The one year period for receiving additional information can be extended at a cost of $35.00 per year. A long-term subscription ($150) includes the compendium and additional information as it becomes available through August 1990. (The next compendium is scheduled for release in September 1990.)

Individual Income Tax Returns, Publication 1304 — Price $32.00

Statistics of Income data for 1986 presents information on:

- Sources of income
- Exemptions
- Itemized deductions
- Tax computations
- Data presented by—
  size of adjusted gross income, marital status

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Partnership Returns, Publication 369 — Price $22.00

Purchase price includes a 314-page document for 1978–82 presenting previously unpublished Statistics of Income data for 1980, 1981 and 1982, as well as data previously issued in other publications. Features include:

- Number of partnerships
- Limited partnerships
- Receipts
- Cost of sales and operations
- Deductions
- Net income
- Capital gains
- Data presented by—
  industry
  size of total assets
  state
  number of partners

Purchasers of this service also will be provided with data for 1983–1985 as they become available and will also be notified of future statistical releases relating to partnership returns.

Other Services — Price dependent on the request

- Unpublished tabulations from SOI program are available. Includes detailed tables underlying those published in SOI Bulletin.
- Special tabulations produced to user specifications.
- Public use tape files, including the Individual Tax Model (1978–1985), among others. (Earlier files are available from the Machine Readable Branch (NNSR) of the National Archives, Washington, DC 20408.

BUSINESS SOURCE BOOKS

(Available from Statistics of Income Division)

In addition to the Corporation Source Book, two others are now being offered by the Statistics of Income Division (see below). Information can be obtained by writing to Director, Statistics of Income Division (TR:S) at the address above. Purchase of Source Books is by check made payable to the IRS Accounting Section.

Corporation Source Book, 1985, Publication 1053 — Price $175.00

This is a 480-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for $175 (issues prior to 1982 are for sale at $150). A magnetic tape containing the tabular statistics for 1985 can be purchased for $1,500.

Partnership Source Book, Publication 1289 — Price $30.00

This is a 291-page document showing key partnership data for 1957 through 1983, at the minor, major and division industry level. Includes a historical definition of terms section and a summary of legislative changes affecting partnerships during that period. Tables feature:

- Number of partnerships
- Number of partners
- Business receipts
- Depreciation
- Taxes paid deductions
- Interest paid
- Payroll
- Payments to partners
- Net income

Purchasers of this service also will be advised of the release of subsequent years' data. A magnetic tape containing the tabular statistics can be purchased for an additional $200.

Sole Proprietorship Source Book, Publication 1323 — Price $95.00

This Source Book is a companion to that for partnerships, shown above. It is a 244-page document showing key proprietorship data for 1957 through 1984. Each page contains statistics for a particular industry. Included will be data on:

- Number of businesses
- Business receipts
- Interest paid
- Depreciation
- Taxes paid deductions
- Payroll
- Net income

As with Partnerships, a magnetic tape containing the tabular statistics can be purchased for $245.

OTHER PUBLICATIONS

(Available from Superintendent of Documents GPO, Washington, D.C. 20402)

The Statistics of Income (SOI) Bulletin (Quarterly) — Publication No. 1136

Subscription price $16.00; Single copy price $6.00

The SOI Bulletin provides the earliest published financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators and economists.

Statistics of Income—1985, Corporation Income Tax Returns, Publication No. 16

Price $9.50

Presents information on—

- Receipts
- Deductions
- Net income
- Taxable income
- Income tax
- Tax credits
- Distributions to stockholders
- Assets
- Liabilities

Data classified by—

- industry
- accounting period
- size of total assets
- size of business receipts

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Section 1

Introduction and Changes in Law*

The statistics presented in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of the 103 million Forms 1040, 1040A and 1040EZ filed by the nation's taxpayers for Tax Year 1986.

Table A shows selected tax items for Tax Years 1970, 1975, 1980, 1985 and 1986. In addition, percent changes between Tax Years 1985 and 1986 are shown. Between 1985 and 1986, the number of returns filed increased by approximately 1.4 million, or 1.4 percent, and adjusted gross income (AGI) increased by approximately $176 billion, or 7.6 percent. Taxable income increased by 6.9 percent, and total income tax by 12.8 percent.

This report contains the first comprehensive publication of final individual income tax data for Tax Year 1986. However, these data, as well as preliminary income tax data for Tax Year 1987, are also featured in the Spring 1989, Statistics of Income Bulletin (1).

REQUIREMENTS FOR FILING

The Internal Revenue Code of 1986, as amended, provided the legal basis for tax activity detailed in this volume. For Tax Year 1986, as for previous tax years, the principal criteria that determined the general filing requirements were gross income, filing status, and age. Gross income included all income received in the form of money, property, and services that were not expressly exempt from tax. A return had to be filed by:

(1) a single person (other than a surviving spouse) under age 65, with gross income of at least $3,560;

(2) a single person (other than a surviving spouse) age 65 or over, with gross income of at least $4,640;

(3) a surviving spouse under age 65 with gross income of at least $4,750;

(4) a surviving spouse age 65 or over with gross income of at least $5,830;

(5) a married couple, filing a joint return, with both spouses under age 65 and with a combined gross income of at least $5,830;

(6) a married couple, filing a joint return, with one spouse age 65 or over and with a combined gross income of at least $6,910;

(7) a married couple, filing a joint return, with both spouses age 65 or over and with a combined gross income of at least $7,990; and

(8) a married person regardless of age whose spouse was filing a separate return, if that married person had a gross income of at least $1,080.

Notwithstanding these provisions, there were six additional filing requirements. Specifically, an individual had to file a return for Tax Year 1986 if that individual:

(1) was claimed as a dependent on another person's return and had "unearned income" (such as trust distributions, interest, or capital gains) of $1,080 or more;

(2) was liable for any of the following taxes:

- social security tax on unreported tip income;
- uncollected social security tax or Railroad Retirement Tax Act (RRTA) tax on reported tip income;
- alternative minimum tax;
- tax on an Individual Retirement Arrangement; or
- tax from recapture of investment credit;

*This report was prepared under the direction of Jeffrey Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch. Contributions to the text were made by Susan Hostetter and Mike Strudler. June Walters was responsible for overall production.

Table A.—Selected Income and Tax Items for Selected Years, 1970–1986

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1985	1986	Percent change, 1985 to 1986
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	74,279,831	82,229,332	93,902,469	101,660,287	103,045,170	1.4%
Form 1040 returns	N/A	54,527,726	57,122,592	67,006,425	68,909,828	2.8
Form 1040A returns	N/A	27,701,606	36,779,877	18,124,702	17,584,689	-3.0
Form 1040EZ returns	N/A	N/A	N/A	16,529,160	16,550,653	0.1
Total income, amount	639,357,791	962,886,872	1,642,345,558	2,401,033,782	2,580,689,275	7.5
Adjusted gross income less deficit	631,692,540	947,784,873	1,613,731,497	2,305,951,483	2,481,681,046	7.6
Salaries and wages:						
Number of returns	66,965,659	73,520,046	83,802,109	87,198,001	88,217,638	1.2
Amount	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,031,025,984	5.3
Interest received:						
Number of returns	32,630,355	40,378,240	49,019,575	64,526,434	65,236,518	1.1
Amount	22,021,267	43,433,554	102,009,444	182,109,194	167,640,438	-7.9
Dividends in adjusted gross income:						
Number of returns	7,729,939	8,853,491	10,738,982	15,527,579	16,753,537	7.9
Amount	15,806,924	21,892,126	38,761,253	55,046,351	61,623,348	11.9
Business or profession net income less loss:						
Number of returns	6,159,985	7,242,542	8,881,119	11,900,341	12,360,345	3.9
Amount	30,554,201	39,421,478	55,129,154	78,772,577	90,423,763	14.8
Net Capital gain less loss:						
Number of returns	7,962,663	7,574,823	9,970,921	12,579,494	15,560,453	23.7
Amount	9,006,683	14,071,893	30,029,074	68,277,779	132,841,678	94.6
Pensions and annuities in adjusted gross income:						
Number of returns	3,249,558	5,088,937	7,373,704	13,133,295	14,771,235	12.5
Amount	7,878,808	20,886,871	43,339,736	95,096,003	107,696,794	13.3
Rents and royalties net income less loss:						
Number of returns	6,557,498	7,143,812	8,208,132	9,544,495	9,394,506	-1.6
Amount	3,232,817	5,202,078	4,105,381	-12,963,726	-15,292,084	-18.0
Partnership and S Corporations:						
Number of returns	n.a.	n.a.	n.a.	5,487,671	5,817,455	6.0
Amount	12,637,912	12,811,091	10,099,346	-2,526,590	-5,859,500	-131.9
Farm net income less loss:						
Number of returns	3,026,530	2,755,041	2,608,430	2,620,861	2,524,331	-3.7
Amount	2,788,713	3,563,325	-1,792,466	-12,005,483	-7,284,231	39.3
Total statutory adjustments:						
Number of returns	6,370,552	9,024,255	13,148,919	37,763,418	38,034,061	0.7
Amount	7,665,251	15,101,999	28,614,061	95,082,299	99,008,229	3.1
Individual Retirement Arrangement:						
Number of returns	N/A	1,211,794	2,564,421	16,205,846	15,535,531	-4.1
Amount	N/A	1,436,443	3,430,894	38,207,068	37,758,393	-1.2
Self-employed retirement (Keogh):						
Number of returns	591,655	595,892	568,936	675,822	773,296	14.4
Amount	847,692	1,603,788	2,007,666	5,181,993	6,194,617	19.5
Married couple who both work:						
Number of returns	N/A	N/A	N/A	24,835,278	N/A	N/A
Amount	N/A	N/A	N/A	24,614,983	N/A	N/A
Exemptions:						
Number of exemptions	204,126,402	212,202,596	227,925,098	244,180,202	245,752,978	0.6
Number, age 65 or over	8,904,331	9,937,208	11,847,168	16,748,810	17,395,776	3.9
Total deductions:						
Number of returns	73,862,448	81,585,541	88,491,251	96,848,626	98,180,981	1.4
Amount	120,549,755	233,181,778	346,000,155	554,733,523[1]	611,293,162[1]	10.2
Total itemized deductions:						
Number of returns	35,430,047	26,074,061	28,950,282	39,848,184	40,667,008	2.1
Amount	88,178,487	122,260,601	218,028,139	405,023,525	447,057,972	10.4
Medical and dental expense	10,585,749	11,422,312	14,972,082	22,926,214	25,112,007	9.5
Taxes paid	32,014,673	44,141,289	69,404,275	128,084,618	143,446,005	12.0
Interest paid	23,929,477	38,685,282	91,187,006	180,094,578	196,566,331	9.1
Contributions	12,892,732	15,393,331	25,809,608	47,962,848	53,815,979	12.2
Taxable income:						
Number of returns	59,593,598	65,852,602	88,104,696	96,124,046	97,358,296	1.3
Amount	401,154,285	595,492,866	1,279,985,360	1,820,740,833	1,947,024,584	6.9
Income tax before credits:						
Number of returns	59,596,755	65,854,734	76,135,819	85,994,216	86,600,724	0.7
Amount	84,156,695[2]	132,452,044	256,294,315	332,165,333	367,591,995	10.7
Total tax credits[3]	369,610	8,069,846	7,215,839	10,248,044	7,020,731	-31.5
Child care credit	N/A	N/A	956,439	3,127,702	3,397,090	8.6
Credit for the elderly and disabled	167,656	128,968	134,993	108,642	85,763	-21.1
Residential energy credit	N/A	N/A	562,141	811,675	N/A	N/A
Foreign tax credit	169,623	381,985	1,341,675	782,561	773,939	-1.1
Investment credit	30,554	1,593,150	3,288,415	6,968,070	N/A	N/A
Income tax after credits	83,787,323	124,382,197	249,078,475	321,917,289	360,571,264	12.0
Total income tax:						
Number of returns	59,317,371	61,490,737	73,906,244	82,846,420	83,967,413	1.4
Amount	83,909,311	124,526,297	250,341,440	325,710,254	367,287,213	12.8

n.a. Not available
N/A Not applicable
[1] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amount on nonitemized deductions.
[2] Includes surcharge of $2,018,078,000.
[3] Includes credits not shown separately below.
NOTE: Detail may not add to total because of rounding.

(3) received advanced earned income payments;

(4) had net earnings of at least $400 from self-employment income;

(5) had wages of $100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes; or

(6) had gross income of at least $1,080 and excluded income from sources within U.S. possessions.

These filing requirements applied to all U.S. citizens, residents of Puerto Rico, resident aliens for the entire tax year, certain dual-status taxpayers, and certain nonresident aliens married to U.S. citizens or residents at the end of 1986.

Data shown in these tables covers individuals who were not required to file tax returns, but did so in order to obtain refunds (generally of tax withheld) or to take advantage of the earned income credit.

Most taxpayers were required to file tax returns within three and one-half months after the close of their accounting periods. Since most individuals use a calendar year period, nearly all returns were due by April 15, 1987. However, each taxpayer could be granted, upon request, one automatic four-month extension of time to file. U.S. citizens residing or traveling outside the United States and Puerto Rico on the due date were automatically granted (without requesting) a two-month extension. In addition, taxpayers could petition the IRS for an additional extension beyond the automatic ones cited above. However, this extension must be approved by IRS.

CHANGES IN LAW

New tax provisions affecting 1986 income tax returns arose as a result of the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the 1983 Social Security Amendments Act and Railroad Retirement Solvency Act, the Tax Reform Act of 1984, and the Tax Reform Act of 1986. Most of these tax law changes pertaining to 1986 individual returns are reflected in this report.

All major changes in effect for Tax Year 1986 are listed below in alphabetical order. Section 5 contains more detailed explanations and definitions of terms used in this report.

Charitable Contributions for Nonitemizers

For 1986, individuals who did not itemize their deductions could deduct 100 percent of their charitable contributions from their adjusted gross income, up to limits based on AGI. The allowable deduction for 1985 was 50 percent of charitable contributions.

General Business Credit

For tax years beginning after 1985, the percentage of tax liability in excess of $25,000 that could be offset using the general business credit was reduced from 85 to 75 percent.

Income Averaging

For 1986, an individual could not income average if he was a full-time student during any base period year, unless he filed a joint return in the computation year and his income in the computation year was not more than 25 percent of total AGI on the joint return.

Inflation Adjustments (Indexing)

For Tax Year 1986, the width of each income bracket (including the zero rate bracket) in the Tax Rate Schedules (and the Tax Table) was adjusted to reflect the effect of inflation so that inflation would not increase a taxpayer's average tax rate (all other things being equal). Similarly, the amount allowed as a deduction for each personal exemption increased, as the result of indexing, from $1,040 to $1,080.

Investment Tax Credit

The regular 10 percent investment tax credit (ITC) was repealed for property placed in service after 1985 with the exception of qualified progress expenditures and ITC transition property.

Jobs Credit

This credit was reduced from 50 to 40 percent (85 percent for summer youth employees) of qualified first year wages, and was repealed for credit against wages paid in the second year. No credit was allowed unless the employee worked at least 90 days (14 for summer youth employees) or at least 120 hours (20 hours for summer youth employees).

Pensions and Annuities

After July 1, 1986, an individual could not use the "three-year rule" to determine the taxable and nontaxable parts of a pension or annuity to exclude qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

Research and Experimentation Credit

This credit was extended through calendar year 1988. The rate was reduced from 25 to 20 percent, effective after 1985. It was redesignated as a general business credit and was subject to the general business credit tax liability limitations.

Residential Energy Credit

Unused credits from prior years could be carried forward to 1986 but no additional credit could be claimed for energy saving items or renewable energy source property installed after 1985.

Self-Employment Tax

The limit for Tax Year 1986 on the amount of net earnings subject to self-employment tax increased from $39,600 to $42,000. The net tax rate was 11.8 percent for Tax Year 1985 and 12.3 percent for Tax Year 1986.

RETROSPECTIVE INCOME CLASSIFIER

Tax law changes between 1981 and 1986 altered what individuals were required to report as part of their adjusted gross income. Since reporting requirements had been modified from year to year, the basic measurement of income in the SOI Individual study has changed as well. The concept that SOI has historically used -- AGI -- was designed to administer the collection of taxes, and is not entirely usable by many tax analysts.

SOI determined to develop an income definition that would: (1) be applicable over several years and allow comparisons, both pre- and post the major tax legislation of the 1980's; (2) include only available tax return items, thereby eliminating the need for imputation; and (3) cover only income from the applicable tax year (excluding "carryovers" and "carrybacks.")

A retrospective income called the "1979 Income Concept" reflects the base period 1979 through 1986 (2). This base period was selected because it covers the tax law changes of the 1980's, and the underlying data reported on tax returns permit construction of an income measure that is defined consistently across all those years. Even though the 1979 Income Concept is "retrospective," its use will be continued in future years, to show an income that is conceptually similar to income published for these prior "base" years.

The 1979 Income Concept does not adjust for costs of producing income, such as the investment interest expense, which is used in the "expanded income" concept described in Section 4 (3). Expanded income, which has been published for eleven years, is similar to the 1979 Income Concept in that it adds to AGI tax preferences that taxpayers were permitted by law to exclude. The expanded income is different in that it includes reported tax

Figure 1.--Calculation of the 1979 Total Income Concept

1979 TOTAL INCOME =
- Salaries and wages*
- + Interest (without any exclusion)*
- + Dividends (without any exclusion)**
- + Alimony received*
- + Capital gains (without any exclusion, and allowing for short-term and long-term loss without limitation)**
- + Capital gains not reported on Schedule D (without any exclusion)**
- + Other gains reported on Form 4797*
- + Net business income, Schedule C*
- + Net farm income*
- + Net rent income*
- + Net royalty income*
- + Net partnership income*
- + Net Subchapter S Corporation income*
- + Net farm rental income*
- + Net estate and trust income*
- + Unemployment insurance income reported**
- + Depreciation in excess of straight-line depreciation**
- + Pension income reported**
- + Net other income*

LESS
- Moving expenses*
- + Employee business expenses*
- + Alimony paid*

*Included in Tax Year 1986 AGI.
**Modified from income included in Tax Year 1986 AGI.

preferences in a given year, whereas the 1979 Income Concept only covers preferences if they were included in reporting requirements for all years from 1979 through 1986. The expanded income also reduces income by the investment interest expense. Figure 1 provides the derivation for the 1979 Income Concept, mostly using the line items on the income tax return.

By applying this definition, IRS has come up with a concept of income that is broader and more consistent than AGI. The largest difference between the 1979 Income Concept and AGI is the 60 percent capital gains exclusion, which was included in the 1979 Income Concept. Since most adjustments are really tax items and not income, those amounts were included in retrospective income, leaving only expense items, such as the employee business expense, as adjustments to income. The State income tax refund was omitted because it is a tax recovery or adjustment -- again, not a measure of income. Social security benefits are obviously income, but they were omitted because they weren't potentially subject to tax or even partially included on the tax return until 1984 and, therefore, could not be used consistently for all years from 1979 through 1986.

COMPARISON OF AGI AND 1979 INCOME CONCEPT

Figures 2, 3, and 4, and Table B show differences in income and tax items for AGI and the 1979 Income Concept. Table B compares the two concepts for all income classes, and Figures 2, 3, and 4 show differences only for the high income classes ($200,000 or more) where the greatest changes occurred.

Figure 2 shows the distribution of large income returns both by size of AGI and retrospective income. It shows that the number of returns for the high income classes -- over $200,000 -- was consistently higher when the income was computed according to the 1979 Income Concept. The shift to income classes over $200,000 using the 1979 Income Concept was about 203,000 returns or 54 percent of the high income returns. Much of this shift to higher income classes was due to the elimination of the capital gains exclusion in the 1979 Income Concept.

Figure 3 compares total income for the two concepts on returns with $200,000 or more of income. The amount of income for returns with a million or more increased 131 percent

Figure 2

Distribution of High Income Returns by AGI and 1979 Income Concept

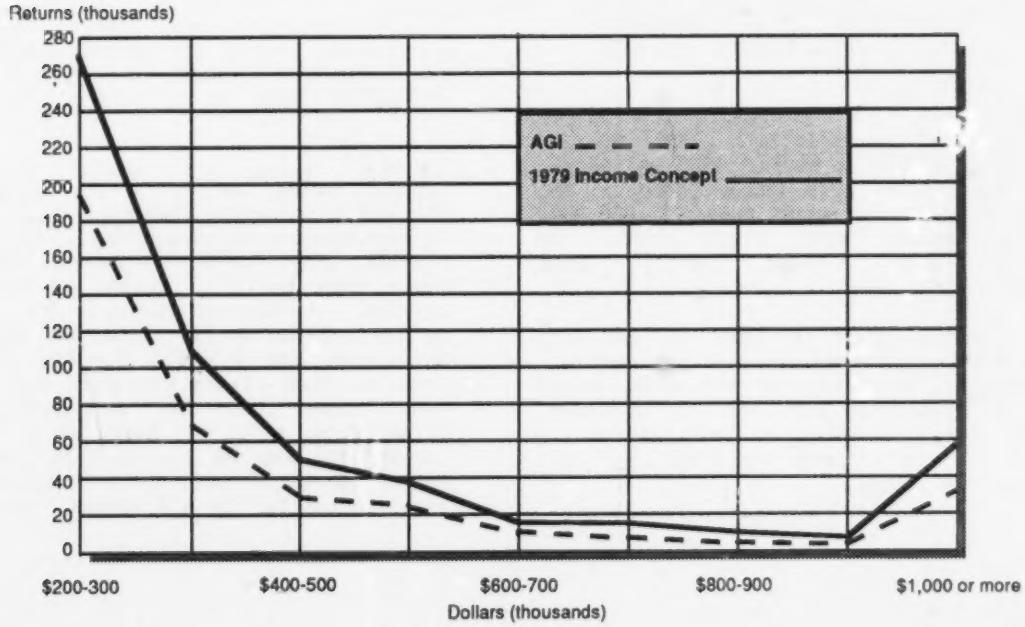
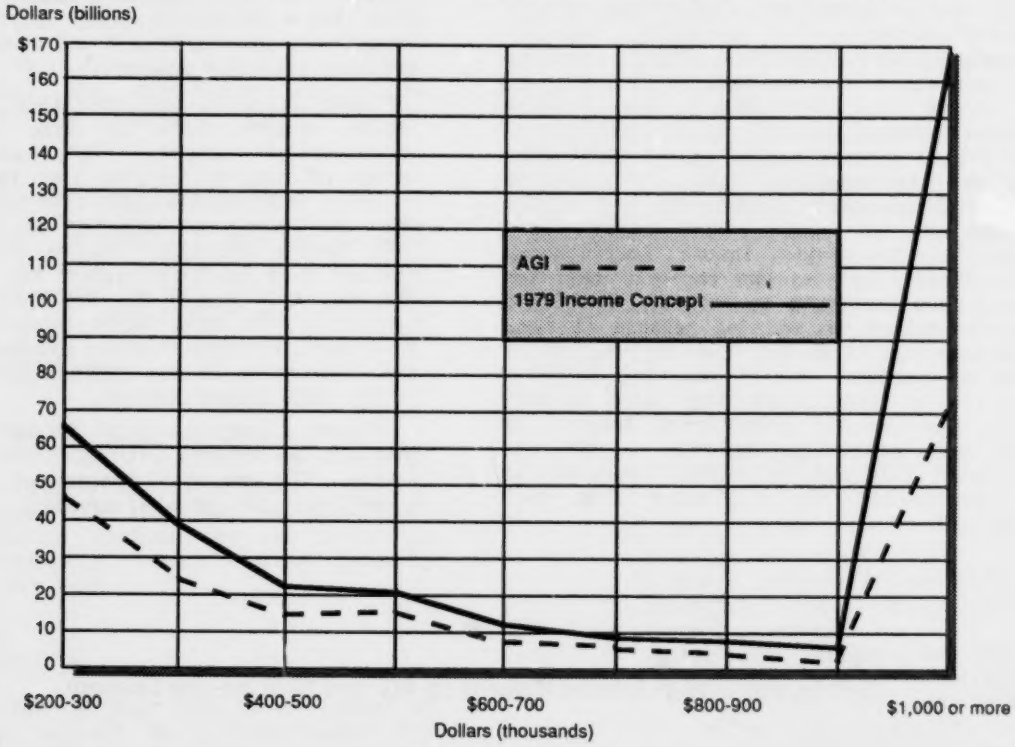


Figure 3

Total Income for High Income Returns by AGI and 1979 Income Concept



between AGI and the 1979 Income Concept. The greatest differences occur above $1,000,000, primarily because this class finds the individuals with highest capital gains exclusion.

Total income, shown in Table B, was $272 billion higher (11 percent) for all returns, when computed according to the 1979 Income Concept in comparison with AGI. In addition, our data show an increase of $266 billion (11 percent) in total income for 1986 over 1985 using the 1979 concept.

Total income tax was a greater percent of AGI (14.8 percent) than it was of the 1979 Income Concept (13.3 percent) for all income classes. This would be expected, since AGI is lower than the 1979 Income Concept for all classes. The average tax paid for individuals in the million dollar class was $912,000 for AGI income and $639,000 for the 1979 Income Concept. Many of the taxpayers who moved into this income class had considerable capital gains income which was taxed at a lower rate, causing the average tax to drop. See columns 57 through 60 of Table B for a distribution of total income tax for all income classes.

Figure 4
Total Income for High Income Returns by AGI and 1979 Income Concept
(Number of returns are in thousands-amounts are in billions)

Size of Income	Total Income			
	By AGI		By 1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)
$200,000 under $300,000	194	$46,492	272	$65,634
$300,000 under $400,000	67	23,324	112	39,082
$400,000 under $500,000	29	13,024	51	22,622
$500,000 under $600,000	25	13,364	38	21,110
$600,000 under $700,000	11	6,824	19	12,509
$700,000 under $800,000	7	5,506	13	9,439
$800,000 under $900,000	5	4,391	9	7,916
$900,000 under $1,000,000	4	3,585	7	6,296
$1,000,000 or more	32	72,565	56	167,342

NOTES AND REFERENCES

(1) Labate, John, and Holik, Dan, "Individual Income Tax Rates, 1986", Statistics of Income Bulletin, Spring 1989, Volume 8, Number 4.

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(2) Hostetter, Susan, "Measuring Income for developing and Reviewing Individual Tax Law Changes; Exploration of Alternative Concepts," Statistics of Income and Related Administrative Record Research: 1986-1987, U.S. Department of the Treasury, Internal Revenue Service, 1987.

(3) Lerman, Allen H., "High Income Returns, for 1984", Statistics of Income Bulletin, Spring 1987, Volume 6, Number 4, pp. 1-29.

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1986

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total income				Salaries and wages				Interest received			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**103,045**	**2,481,681**	**103,045**	**2,753,688**	**88,218**	**2,031,026**	**88,218**	**2,031,026**	**65,237**	**167,640**	**65,237**	**167,640**
Under $10,000	32,855	119,976	31,837	107,293	25,954	135,093	25,233	130,306	14,245	23,730	13,593	22,484
$10,000 under $20,000	24,996	367,099	24,619	361,196	21,028	294,147	20,735	284,247	13,886	31,335	13,362	28,395
$20,000 under $30,000	16,780	414,425	16,544	408,544	15,110	356,460	14,704	336,192	12,009	24,140	11,762	24,853
$30,000 under $40,000	11,490	398,161	11,426	396,148	10,724	355,518	10,620	340,361	9,468	18,062	9,315	18,207
$40,000 under $50,000	7,459	332,211	7,361	328,939	6,943	296,004	6,873	279,916	6,665	15,111	6,549	13,905
$50,000 under $60,000	3,763	204,991	4,145	226,023	3,488	180,526	3,876	189,038	3,499	10,177	3,828	9,680
$60,000 under $70,000	2,041	131,645	2,322	149,928	1,852	112,205	2,148	121,493	1,918	7,123	2,180	6,710
$70,000 under $80,000	1,066	79,373	1,331	99,148	959	64,248	1,193	75,300	1,021	4,742	1,272	5,069
$80,000 under $90,000	677	57,358	827	69,905	598	45,068	715	49,845	655	3,864	800	4,360
$90,000 under $100,000	428	40,391	544	51,438	343	27,163	476	34,410	418	3,813	528	2,932
$100,000 under $125,000	566	62,785	721	80,066	474	42,730	610	50,460	548	4,713	703	4,809
$125,000 under $150,000	278	37,849	360	49,011	233	24,632	291	26,025	270	2,571	353	3,585
$150,000 under $175,000	175	28,208	263	42,486	141	17,826	198	21,362	172	2,113	260	2,515
$175,000 under $200,000	97	18,131	168	31,613	85	11,640	115	12,751	94	1,422	164	2,907
$200,000 under $300,000	194	46,492	272	65,634	156	27,382	217	30,680	191	4,185	268	3,911
$300,000 under $400,000	67	23,324	112	39,082	49	10,501	74	12,166	67	1,809	111	2,131
$400,000 under $500,000	29	13,024	51	22,622	24	6,253	38	7,577	29	938	50	1,366
$500,000 under $1,000,000	52	33,670	86	57,269	36	11,610	62	13,731	51	3,249	85	3,860
$1,000,000 or more	32	72,565	56	167,342	20	12,019	38	15,165	32	4,543	56	5,961

Size of income	Dividends in AGI		Dividends received		Business net income less loss				Sales of capital assets			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**16,754**	**61,623**	**20,896**	**63,629**	**12,360**	**90,424**	**12,360**	**90,424**	**15,560**	**132,842**	**15,560**	**132,842**
Under $10,000	2,650	3,459	3,048	3,563	2,952	489	2,772	938	2,232	8,277	1,982	3,183
$10,000 under $20,000	2,845	5,462	3,155	4,927	2,388	11,571	2,282	10,590	2,564	3,349	2,167	1,633
$20,000 under $30,000	2,630	5,772	3,217	5,696	2,171	13,152	2,133	12,816	2,444	4,297	2,415	3,161
$30,000 under $40,000	2,365	4,594	2,951	4,814	1,771	11,015	1,730	10,096	2,119	4,863	1,987	3,185
$40,000 under $50,000	1,956	4,778	2,454	4,404	1,093	9,900	1,096	9,029	1,841	4,973	1,739	3,195
$50,000 under $60,000	1,282	3,670	1,751	3,459	657	7,546	716	6,651	1,195	4,148	1,296	3,413
$60,000 under $70,000	808	2,922	1,128	2,725	401	6,476	420	5,991	801	3,938	847	3,275
$70,000 under $80,000	533	2,396	748	2,292	248	4,690	292	5,163	550	3,642	657	3,050
$80,000 under $90,000	366	1,989	501	2,419	146	3,627	191	3,382	384	3,380	466	2,927
$90,000 under $100,000	270	2,200	357	1,344	100	2,936	129	3,462	280	3,391	340	2,237
$100,000 under $125,000	362	2,919	501	2,668	162	6,682	177	5,166	393	5,934	505	5,477
$125,000 under $150,000	184	1,840	264	2,063	75	3,445	107	4,290	208	4,618	272	4,237
$150,000 under $175,000	126	1,348	197	2,019	58	1,885	74	2,835	136	4,895	219	4,718
$175,000 under $200,000	72	704	137	2,176	26	1,290	65	2,796	80	2,339	145	3,715
$200,000 under $300,000	153	3,005	221	2,726	53	2,406	72	3,177	167	8,594	236	8,215
$300,000 under $400,000	56	3,818	97	4,058	16	1,044	34	1,302	61	5,556	103	7,128
$400,000 under $500,000	23	806	43	947	8	570	15	762	26	3,751	47	4,321
$500,000 under $1,000,000	44	2,146	76	2,656	20	1,044	31	1,241	49	11,034	83	11,920
$1,000,000 or more	29	7,795	51	8,673	15	655	23	737	31	41,862	55	53,831

Size of income	Pensions and annuities in AGI		Pensions and annuities		Rents, royalties and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**14,771**	**107,897**	**15,857**	**141,576**	**9,805**	**−13,355**	**9,805**	**−13,355**	**5,817**	**−5,859**	**5,817**	**−5,859**
Under $10,000	3,122	11,201	2,977	11,549	1,639	−4,393	1,515	−3,209	804	−20,151	755	−15,612
$10,000 under $20,000	4,086	26,940	3,992	27,069	1,729	−251	1,591	33	635	−647	513	−418
$20,000 under $30,000	2,560	20,783	2,764	22,539	1,725	−2,594	1,648	−1,860	750	307	719	518
$30,000 under $40,000	1,763	13,983	1,905	15,389	1,278	−2,218	1,262	−2,283	671	587	611	621
$40,000 under $50,000	1,351	12,587	1,425	14,616	984	−2,273	932	−1,594	653	197	609	218
$50,000 under $60,000	721	7,003	917	9,983	703	−1,477	710	−1,871	447	885	436	619
$60,000 under $70,000	439	4,902	553	6,170	443	−844	484	−1,037	351	401	365	618
$70,000 under $80,000	211	2,478	353	4,615	289	−402	333	−891	263	726	291	145
$80,000 under $90,000	144	1,876	233	3,476	224	−648	246	−568	212	212	223	203
$90,000 under $100,000	94	1,195	156	2,864	142	441	182	380	158	473	169	576
$100,000 under $125,000	111	1,754	177	3,627	204	−403	258	−736	251	670	288	549
$125,000 under $150,000	53	826	112	2,815	124	−219	150	−416	160	780	190	164
$150,000 under $175,000	39	520	86	2,643	81	−175	120	−593	110	360	135	32
$175,000 under $200,000	22	351	55	1,954	41	−87	82	−206	71	680	105	545
$200,000 under $300,000	30	525	79	4,035	96	152	128	−35	133	940	176	927
$300,000 under $400,000	8	200	25	1,631	33	71	49	−42	53	290	83	96
$400,000 under $500,000	5	161	14	1,193	16	130	27	3	23	373	36	59
$500,000 under $1,000,000	7	189	23	3,280	32	2,246	50	2,144	43	1,929	66	868
$1,000,000 or more	4	223	11	2,127	22	−412	35	−574	29	5,129	48	3,413

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1986—Continued

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Estate or trust net income less loss				Total statutory adjustments				Total itemized deductions			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**1,193**	**7,007**	**1,193**	**7,007**	**38,034**	**99,008**	**9,012**	**28,136**	**40,667**	**447,058**	**40,667**	**447,058**
Under $10,000	227	571	233	891	2,144	3,020	604	1,610	2,378	12,724	2,190	12,518
$10,000 under $20,000	185	837	168	693	5,965	8,173	1,419	3,157	5,662	35,701	5,280	32,380
$20,000 under $30,000	168	641	167	597	8,336	14,428	1,950	4,807	8,444	60,108	8,035	56,474
$30,000 under $40,000	114	460	101	397	7,700	16,544	1,484	3,891	8,643	75,686	8,253	70,377
$40,000 under $50,000	98	510	94	450	5,922	15,984	1,135	3,156	6,529	69,866	6,348	65,889
$50,000 under $60,000	62	309	60	244	3,192	11,612	806	2,499	3,514	45,144	3,787	45,634
$60,000 under $70,000	65	295	48	180	1,749	7,986	497	1,988	1,947	30,408	2,193	31,464
$70,000 under $80,000	43	350	39	294	920	4,718	303	1,408	1,023	18,455	1,268	20,537
$80,000 under $90,000	35	337	40	349	577	3,483	193	1,001	662	13,684	787	14,408
$90,000 under $100,000	32	106	17	180	335	2,390	136	694	406	9,736	514	10,768
$100,000 under $125,000	47	423	51	363	463	3,958	182	1,125	554	15,013	692	16,096
$125,000 under $150,000	21	352	31	246	230	1,838	89	626	270	8,859	345	9,765
$150,000 under $175,000	22	159	35	172	144	1,259	73	672	173	6,518	255	7,863
$175,000 under $200,000	7	112	27	246	83	736	30	243	96	3,871	160	6,681
$200,000 under $300,000	26	259	28	341	149	1,433	65	592	188	10,940	260	10 37
$300,000 under $400,000	15	190	20	154	46	457	17	166	67	5,592	110	6,411
$400,000 under $500,000	4	117	5	144	22	249	9	98	29	2,666	49	3,284
$500,000 under $1,000,000	15	345	19	353	40	452	14	206	51	6,420	84	7,499
$1,000,000 or more	4	634	9	710	17	288	8	198	32	15,667	55	18,424

Size of income	Taxable income				Total tax credits				Total income tax			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**97,358**	**1,947,025**	**97,358**	**1,947,025**	**16,859**	**7,021**	**16,859**	**7,021**	**83,967**	**367,287**	**83,967**	**367,287**
Under $10,000	27,468	102,630	26,592	100,674	2,985	552	2,813	544	15,067	5,208	14,521	5,208
$10,000 under $20,000	24,784	283,541	24,341	270,963	3,688	1,174	3,646	1,123	23,936	28,779	23,243	27,294
$20,000 under $30,000	16,737	330,713	16,474	314,642	3,093	1,099	3,037	1,059	16,639	43,734	16,322	41,012
$30,000 under $40,000	11,474	313,917	11,400	301,079	2,443	830	2,316	811	11,434	48,629	11,332	45,791
$40,000 under $50,000	7,451	259,365	7,342	*243,017	1,743	595	1,697	607	7,447	45,744	7,327	41,519
$50,000 under $60,000	3,758	159,364	4,134	163,157	962	344	1,043	342	3,756	31,786	4,130	31,176
$60,000 under $70,000	2,035	101,048	2,313	106,320	581	316	627	202	2,034	22,312	2,311	22,388
$70,000 under $80,000	1,063	60,877	1,328	68,818	320	143	392	263	1,063	14,822	1,328	15,667
$80,000 under $90,000	676	43,682	824	47,692	214	100	257	90	677	11,432	825	11,677
$90,000 under $100,000	427	30,537	539	34,220	164	282	175	286	428	8,388	542	8,659
$100,000 under $125,000	564	47,824	717	51,875	223	182	266	138	564	14,526	719	14,661
$125,000 under $150,000	277	28,981	358	30,085	114	131	132	117	279	9,553	360	9,293
$150,000 under $175,000	174	21,693	261	25,009	74	59	107	107	175	7,891	263	8,214
$175,000 under $200,000	97	14,261	167	18,299	46	78	76	115	97	5,319	168	6,408
$200,000 under $300,000	193	35,998	270	38,903	104	307	122	300	194	14,482	272	14,824
$300,000 under $400,000	67	17,896	110	20,907	39	108	50	103	67	7,865	112	8,828
$400,000 under $500,000	29	10,383	50	12,111	15	71	24	78	29	4,720	51	5,286
$500,000 under $1,000,000	51	27,328	85	29,432	33	176	48	180	51	12,928	86	13,590
$1,000,000 or more	32	56,986	55	69,822	17	475	29	557	32	29,169	56	35,792

Section 2 Description of the Sample*

This section describes the sample criteria and selection, the method of estimation and sampling variability of the estimates contained in this report. It also describes the methodology needed to compute confidence interval estimates, as well as some of the limitations of the data. Statistical estimates included in this report are based on the tax return (1).

SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed in the ten Internal Revenue Service (IRS) Centers during Calendar Year 1987. The total sample of 89,165 returns was selected from a population of 103,423,686 returns.

All returns processed during 1987, were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those returns that contained no income information were excluded from the tables in this report. Sample returns representing approximately 378,516 returns were excluded from the tables.

The estimates in this report are intended to represent all returns filed for Tax Year 1986. While about 98 percent of the returns processed during Calendar Year 1987 were for Tax Year 1986, a few were for noncalendar years ending during 1986 and 1987 and some were returns for prior years. Returns for prior years were used in place of 1986 returns received and processed after December 31, 1987. This was done in the belief that the characteristics of returns due but not yet filed could best be represented by the returns for previous income years that were processed in 1987.

Therefore, data for Tax Year 1986 may include amounts of minimum tax (or other discontinued items) reported on returns filed in 1987.

SAMPLE DESIGN AND SELECTION CRITERIA

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the Martinsburg Computing Center during Calendar Year 1987 were stratified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or (Loss) From Business or Profession; and a Schedule F, Farm Income and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the Social Security Number (SSN) and the second method used ending digits of random numbers generated from transformations of the SSN. The sampling rates ranged from 0.01 percent to 100 percent.

Table C contains the number of returns in the population and sample by sample stratum for the United States and State Groups. The State Groups were formed on the basis of total number of Forms 1040, 1040A, and 1040EZ filed from each State. The sampling rates of each State Group were identical. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 378,516 returns (see above).

METHOD OF ESTIMATION

Weighting factors were obtained by dividing the computer population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to

*Bonnye Walker designed the sample, and prepared the text and table in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistical Team.

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1986

Description of the sample strata		Number of Returns					
		United States Total[1]		State Group A[2]		State Group C[3]	
		Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts
		(1)	(2)	(3)	(4)	(5)	(6)
Grand total		103,423,686	89,165	6,809,304	4,928	96,614,382	84,237
Form 1040 returns only with adjusted gross income of $200,000 and over with no income tax after credits and no additional tax for tax preferences, total		669	669[4]	34	34	635	635[4]
Form 1040 returns only with combined Schedule C (business or profession) net profit or net loss of $300,000 and over, total		10,520	10,519	553	553	9,967	9,966
Larger of total income amount or total loss amount	and Size of business receipts plus farm receipts						
Forms 1040 only with Form 2555, total		170,308	93	—	—	170,308	93
Under $2,000,000	Under $30,000,000	170,264	49	—	—	170,264	49
$2,000,000 and over	Any amount						
Under $2,000,000	$30,000,000 and over	44	44	—	—	44	44
Forms 1040 only with Form 1116, but without Form 2555, total		469,726	2,519	26,232	100	443,494	2,419
Under $2,000,000	Under $30,000,000	467,266	59	26,139	7	441,127	52
$2,000,000 and over	Any amount						
Under $2,000,000	$30,000,000 and over	2,460	2,460	93	93	2,367	2,367
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total		12,710,746	21,109	938,142	1,252	11,772,604	19,857
Under $25,000	Under $200,000	5,795,606	1,961	456,374	158	5,339,232	1,803
$25,000 under $50,000	Under $500,000						
Under $25,000	$200,000 under $500,000	4,202,487	2,309	313,787	172	3,888,700	2,137
$50,000 under $100,000	Under $1,000,000						
Under $50,000	$500,000 under $1,000,000	2,045,657	3,337	129,872	214	1,915,785	3,123
$100,000 under $200,000	Under $5,000,000						
Under $100,000	$1,000,000 under $5,000,000	495,887	2,456	28,956	143	466,931	2,313
$200,000 under $500,000	Under $10,000,000						
Under $200,000	$5,000,000 under $10,000,000	136,329	2,373	7,408	126	128,921	2,247
$500,000 under $1,000,000	Under $20,000,000						
Under $500,000	$10,000,000 under $20,000,000	23,179	2,960	1,181	171	21,998	2,789
$1,000,000 under $2,000,000	Under $30,000,000						
Under $1,000,000	$20,000,000 under $30,000,000	7,640	2,545	387	119	7,253	2,426
$2,000,000 under $5,000,000	Under $50,000,000						
Under $2,000,000	$30,000,000 under $50,000,000	3,090	2,297	136	108	2,954	2,189
$5,000,000 and over	Any amount						
Under $5,000,000	$50,000,000 and over	871	871	41	41	830	830
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total		1,953,049	3,178	183,844	213	1,769,205	2,965
Under $25,000	Under $200,000	936,331	136	97,609	18	838,722	118
$25,000 under $50,000	Under $500,000						
Under $25,000	$200,000 under $500,000	653,565	158	57,185	12	596,380	146
$50,000 under $100,000	Under $1,000,000						
Under $50,000	$500,000 under $1,000,000	270,383	223	21,364	11	249,019	212
$100,000 under $200,000	Under $5,000,000						
Under $100,000	$1,000,000 under $5,000,000	61,519	159	5,365	12	56,154	147
$200,000 under $500,000	Under $10,000,000						
Under $200,000	$5,000,000 under $10,000,000	23,990	431	1,850	36	22,140	395
$500,000 under $1,000,000	Under $20,000,000						
Under $500,000	$10,000,000 under $20,000,000	4,910	586	327	33	4,583	553
$1,000,000 under $2,000,000	Under $30,000,000						
Under $1,000,000	$20,000,000 under $30,000,000	1,564	858	99	52	1,465	806
$2,000,000 under $5,000,000	Under $50,000,000						
Under $2,000,000	$30,000,000 under $50,000,000	596	436	33	27	563	409
$5,000,000 and over	Any amount						
Under $5,000,000	$50,000,000 and over	191	191	12	12	179	179
Forms 1040, 1040A and 1040EZ without Form 2555, Form 1116, Schedule C, or Schedule F, total		88,108,668	51,078	5,660,499	2,776	82,448,169	48,302
Under $25,000		57,768,929	12,117	3,838,948	791	53,929,981	11,326
$25,000 under $50,000		21,679,110	6,445	1,367,022	426	20,312,088	6,019
$50,000 under $100,000		7,404,142	8,859	393,261	466	7,010,881	8,393
$100,000 under $200,000		944,628	3,932	46,876	202	897,752	3,730
$200,000 under $500,000	Not applicable	251,158	4,950	11,730	235	239,428	4,715
$500,000 under $1,000,000		41,177	4,878	1,841	217	39,336	4,661
$1,000,000 under $2,000,000		13,156	4,778	532	203	12,624	4,575
$2,000,000 under $5,000,000		4,946	3,697	234	181	4,712	3,516
$5,000,000 and over		1,422	1,422	55	55	1,367	1,367

[1] Three State Groups (A, B and C) were available for use in the sample design, however, State Group B was empty.

[2] State Group A contains returns from the District of Columbia and the following states: Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

[3] State Group C includes returns from those states that are not included in State Group A and the following: Puerto Rico, the Office of the Assistant Commissioner (International) and taxpayers having APO/FPO addresses.

[4] This population includes 10 Form 1040 returns that have alternative minimum tax other than zero.

"integer weighting factors" which were applied to each return. For example, if a weight of 44.24 was computed for a stratum, 24 percent of the sample returns in that stratum would receive an integer weight of 45, and 76 percent a weight of 44. One set of weighting factors was also computed for each State Group including "B" which has nothing. These two sets of weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

SAMPLING VARIABILITY AND CONFIDENCE INTERVALS

The particular sample used in this study is one of a large number of all possible samples that could have been selected using the same sample design. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the sampling error. The standard error of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation (CV) is the standard error of the estimate expressed as a percent of the estimate. Table 1.4 CV contains computed CV's for many estimates in this report. The CV's were derived from using the sum-of-squares method.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. For example, from Table 1.4, the amount estimate, X, for State income tax refunds is $9.902 billion and its related coefficient of variation, CV(X), is 1.40 percent. The standard deviation (error) of the estimate, SE(X), is needed to construct the interval estimate and its coefficient of variation:

$$\begin{aligned} SE(X) &= X \cdot CV(X) \\ &= (\$9.902 \text{ billion}) \cdot (0.014) \\ &= \$0.139 \text{ billion} \end{aligned}$$

This SE(X) value is then subtracted from or added to the estimate, X, to construct a 68 percent confidence interval estimate. The interval is calculated using the formula:

$$(X - SE(X)) \leq Y \leq (X + SE(X))$$

where Y is the population value estimated by X. Based on these data, the interval estimate is from $9.763 billion (9.902 - 0.139) to $10.040 billion (9.902 + 0.139).

A conclusion that the average estimate of State income tax refunds lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, multiply the SE(X) value by two. For these data, the resulting interval would be from $9.763 billion to $10.040 billion.

TABLE PRESENTATION

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained by writing to the Statistics of Income Division, R:S:I, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

PROCESSING AND MANAGEMENT OF THE SAMPLE

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population for that stratum. A follow-up was required to reconcile differences between the actual number of returns selected and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during editing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the other income line of the Form 1040 return. If this situation had been detected during statistical editing, the amount of director's fees would have been included in salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS service centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent data. In addition, these tests identified items and areas of returns where SOI editors were required to

transcribe additional data that is not available from revenue processing files.

After the completion of service center review, data were further validated, tested, and finally balanced at the Detroit Computing Center. Adjustments and imputations for selected fields were used to make each record internally consistent. Data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation.

Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of the provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing (2).

NOTES AND REFERENCES

(1) A complete revision to the sample design used to produce the statistics from individual income tax returns is being phased in over a three year period beginning with Tax Year 1988 and ending with Tax Year 1990. In addition to new strata classes and methods of estimation, the revisions include the development of a longitudinal panel and the inclusion of a tax family sampling unit.

For Tax Year 1988, data is being collected for a stratified cross-sectional sample and a longitudinal panel. Both the tax return and tax family are being used as sampling units. The methods for selecting the stratified cross-sectional sample is outlined in this section. A subsample of tax returns designated from the Tax Year 1987 sample has been used to determine individuals belonging to the longitudinal panel. The SSN's of these individuals will be used to select returns for the longitudinal panel. Data for both the cross-sectional sample and the longitudinal panel will be collected to produce statistics for the tax return, as well as the tax family. Statistical estimates for the tax family will be based on the Internal Revenue Code definition of a tax family and, hence, will include the combined statistical data for the primary and secondary taxpayers, and their dependents.

The final phase of the redesign is scheduled for implementation during Tax Year 1990. It includes the new strata classes and the reduction in the size of the longitudinal panel.

For additional details on the redesign see:

Czajka, John L., "Development of a New Income Stratifier for a Sample of Individual Tax Returns", 1988 American Statistical Association Proceedings, Section on Survey Research Methods.

Czajka, John L. and Walker, Bonnye, "Combining Panel and Cross-Sectional Selection in an Annual Sample of Tax Returns", 1989 American Statistical Association Proceedings, Section on Survey Research Methods, forthcoming.

(2) By the time this publication is released, the preliminary data for the Tax Year 1987 Individual Income Tax Returns will also be available in the Spring 1989 version of Publication 1136. Some frequency and amount estimates for Tax Year 1987 may differ radically from the Tax Year 1986 estimates, since the Tax Year 1987 estimates include new tax law provisions enacted under the Tax Reform Act of 1986.

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*Production and review of tables was coordinated by June Walters. Louella Ballenger, Jeff Bates, William Bradley, Dorothy Collins, Marshall Epstein, Saundra Harris, Charles Hicks, John Labate, Barbara Longton, Barbara Marshall, and Martha Shiley were responsible for specific tables.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Size of Adjusted Gross Income									
Total	**103,045,170**	**100.0**	**2,481,681,045**	**100.0**	**24,083**	**83,967,413**	**100.0**	**2,440,231,669**	**100.0**
No adjusted gross income	957,547	0.9	−42,442,566	(*)	−44,324	15,388	(*)	−1,332,607	(*)
$1 under $1,000	2,125,319	2.1	1,250,327	0.1	588	798	(*)	117	(*)
$1,000 under $2,000	3,351,776	3.3	5,039,310	0.2	1,503	208,435	0.2	327,166	(*)
$2,000 under $3,000	3,591,670	3.5	9,032,340	0.4	2,515	203,399	0.2	501,830	(*)
$3,000 under $4,000	3,222,880	3.1	11,228,023	0.5	3,484	911,528	1.1	3,367,603	0.1
$4,000 under $5,000	3,695,968	3.6	16,640,426	0.7	4,502	2,424,750	2.9	10,917,837	0.4
$5,000 under $6,000	3,129,980	3.0	17,186,633	0.7	5,491	2,087,113	2.5	11,448,661	0.5
$6,000 under $7,000	3,346,519	3.2	21,770,373	0.9	6,505	2,116,728	2.5	13,785,302	0.6
$7,000 under $8,000	3,086,815	3.0	23,156,372	0.9	7,502	2,073,033	2.5	15,564,336	0.6
$8,000 under $9,000	3,106,309	3.0	26,388,173	1.1	8,495	2,319,681	2.8	19,740,107	0.8
$9,000 under $10,000	3,240,690	3.1	30,726,502	1.2	9,481	2,705,718	3.2	25,688,020	1.1
$10,000 under $11,000	2,902,881	2.8	30,464,692	1.2	10,495	2,621,018	3.1	27,521,138	1.1
$11,000 under $12,000	2,826,952	2.7	32,500,416	1.3	11,497	2,644,089	3.1	30,399,231	1.2
$12,000 under $13,000	2,728,154	2.6	34,093,999	1.4	12,497	2,565,005	3.1	32,052,056	1.3
$13,000 under $14,000	2,799,030	2.7	37,773,141	1.5	13,495	2,678,029	3.2	36,142,569	1.5
$14,000 under $15,000	2,449,035	2.4	35,535,635	1.4	14,510	2,363,419	2.8	34,292,277	1.4
$15,000 under $16,000	2,419,989	2.3	37,458,930	1.5	15,495	2,341,770	2.8	36,286,570	1.5
$16,000 under $17,000	2,324,427	2.3	38,342,960	1.5	16,496	2,288,988	2.7	37,755,418	1.5
$17,000 under $18,000	2,233,533	2.2	39,070,786	1.6	17,493	2,205,849	2.6	38,588,733	1.6
$18,000 under $19,000	2,244,703	2.2	41,520,689	1.7	18,497	2,200,511	2.6	40,706,806	1.7
$19,000 under $20,000	2,067,599	2.0	40,297,944	1.6	19,490	2,027,132	2.4	39,505,284	1.6
$20,000 under $25,000	9,221,431	8.9	206,549,084	8.3	22,399	9,139,455	10.9	204,746,149	8.4
$25,000 under $30,000	7,559,001	7.3	207,876,373	8.4	27,501	7,499,447	8.9	206,223,786	8.5
$30,000 under $40,000	11,489,629	11.2	398,161,168	16.0	34,654	11,434,253	13.6	396,226,364	16.2
$40,000 under $50,000	7,458,776	7.2	332,210,863	13.4	44,540	7,446,963	8.9	331,708,776	13.6
$50,000 under $75,000	6,427,825	6.2	381,831,768	15.4	59,403	6,414,601	7.6	381,037,449	15.6
$75,000 under $100,000	1,546,776	1.5	131,926,730	5.3	85,291	1,543,446	1.8	131,658,272	5.4
$100,000 under $200,000	1,115,593	1.1	146,973,805	5.9	131,745	1,113,163	1.3	146,680,146	6.0
$200,000 under $500,000	290,946	0.3	82,840,607	3.3	284,728	290,429	0.3	82,695,622	3.4
$500,000 under $1,000,000	51,558	0.1	33,670,463	1.4	653,060	51,467	0.1	33,607,921	1.4
$1,000,000 or more	31,859	(*)	72,565,082	2.9	2,277,695	31,808	(*)	72,388,730	3.0

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	**83,917,711**	**1,916,198,235**	**100.0**	**83,898,079**	**360,571,264**	**100.0**	**367,287,213**	**100.0**	**19.2**	**15.1**	**4,374**
No adjusted gross income	—	—	—	489	5,525	(*)	308,483	0.1	(*)	(*)	20,047
$1 under $1,000	—	—	—	—	—	—	7,466	(*)	(*)	(*)	9,356
$1,000 under $2,000	205,005	568,078	(*)	208,426	16,301	(*)	18,676	(*)	3.3	5.7	90
$2,000 under $3,000	198,428	698,946	(*)	203,196	39,189	(*)	40,172	(*)	5.7	8.0	198
$3,000 under $4,000	911,264	2,621,582	0.1	911,264	79,242	(*)	80,491	(*)	3.1	2.4	88
$4,000 under $5,000	2,424,748	8,230,651	0.4	2,424,508	249,977	0.1	250,672	0.1	3.0	2.3	103
$5,000 under $6,000	2,787,111	8,664,043	0.5	2,087,112	399,872	0.1	399,876	0.1	4.6	3.5	192
$6,000 under $7,000	2,113,761	10,658,851	0.6	2,115,640	637,853	0.2	647,169	0.2	6.1	4.7	306
$7,000 under $8,000	2,072,688	12,163,885	0.6	2,072,688	830,633	0.2	834,295	0.2	6.9	5.4	402
$8,000 under $9,000	2,319,678	15,378,431	0.8	2,319,678	1,119,203	0.3	1,119,404	0.3	7.3	5.7	483
$9,000 under $10,000	2,705,715	19,773,960	1.0	2,705,715	1,499,530	0.4	1,501,086	0.4	7.6	5.8	555
$10,000 under $11,000	2,620,907	21,101,244	1.1	2,320,907	1,698,550	0.5	1,702,116	0.5	8.1	6.2	649
$11,000 under $12,000	2,643,425	23,094,211	1.2	2,643,425	1,996,899	0.6	2,000,986	0.5	8.7	6.6	757
$12,000 under $13,000	2,564,052	25,017,426	1.3	2,564,052	2,322,769	0.6	2,325,848	0.6	9.3	7.3	907
$13,000 under $14,000	2,677,908	28,591,472	1.5	2,677,908	2,762,758	0.8	2,769,583	0.8	9.7	7.7	1,034
$14,000 under $15,000	2,363,418	26,891,929	1.4	2,362,754	2,637,631	0.7	2,639,999	0.7	9.8	7.7	1,117
$15,000 under $16,000	2,341,753	28,776,376	1.5	2,341,753	2,987,222	0.8	2,987,828	0.8	10.4	8.2	1,276
$16,000 under $17,000	2,288,979	30,073,713	1.6	2,288,979	3,316,324	0.9	3,316,776	0.9	11.0	8.8	1,449
$17,000 under $18,000	2,205,825	30,990,732	1.6	2,205,825	3,454,667	1.0	3,459,878	0.9	11.2	9.0	1,569
$18,000 under $19,000	2,199,968	32,689,019	1.7	2,199,910	3,776,776	1.0	3,784,088	1.0	11.6	9.3	1,720
$19,000 under $20,000	2,027,123	31,680,814	1.7	2,027,123	3,773,484	1.0	3,792,088	1.0	12.0	9.6	1,871
$20,000 under $25,000	9,137,117	164,740,813	8.6	9,136,875	20,858,745	5.8	20,882,788	5.7	12.7	10.2	2,285
$25,000 under $30,000	7,495,360	164,801,486	8.6	7,497,653	22,813,698	6.3	22,850,962	6.2	13.9	11.1	3,047
$30,000 under $40,000	11,431,536	313,125,763	16.3	11,423,883	48,445,289	13.4	48,628,503	13.2	15.5	12.3	4,253
$40,000 under $50,000	7,446,018	259,229,563	13.5	7,444,139	45,476,514	12.6	45,744,224	12.5	17.6	13.8	6,143
$50,000 under $75,000	6,410,742	295,224,191	15.4	6,397,981	61,896,054	17.2	62,459,834	17.0	21.2	16.4	9,737
$75,000 under $100,000	1,541,699	100,195,905	5.2	1,536,195	25,661,208	7.1	26,280,965	7.2	26.2	20.0	17,027
$100,000 under $200,000	1,111,183	112,749,282	5.9	1,108,302	35,988,579	10.0	37,289,197	10.2	33.1	25.4	33,498
$200,000 under $500,000	289,356	64,236,953	3.4	288,796	25,977,492	7.2	27,066,736	7.4	42.1	32.7	93,196
$500,000 under $1,000,000	51,238	27,310,614	1.4	51,201	12,456,584	3.5	12,928,118	3.5	47.3	38.5	251,192
$1,000,000 or more	31,706	56,918,303	3.0	31,702	27,392,697	7.6	29,168,908	7.9	51.2	40.3	917,031

Footnote(s) at end of table.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total[1]	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Smallest Size of Adjusted Gross Income									
No adjusted gross income	957,547	0.9	−42,442,566	(2)	−44,324	15,388	(2)	−1,332,607	(2)
$1 under $1,000	2,125,319	2.1	1,250,327	0.1	588	798	(2)	117	(2)
$1 under $2,000	5,477,095	5.3	6,289,636	0.2	1,148	209,233	0.2	327,283	(2)
$1 under $3,000	9,068,765	8.8	15,321,977	0.6	1,690	412,632	0.5	829,113	(2)
$1 under $4,000	12,291,645	11.9	26,549,999	1.1	2,160	1,324,160	1.6	4,196,716	0.2
$1 under $5,000	15,987,613	15.5	43,190,425	1.7	2,701	3,748,910	4.5	15,114,553	0.6
$1 under $6,000	19,117,593	18.6	60,377,058	2.4	3,158	5,836,023	7.0	26,563,214	1.1
$1 under $7,000	22,464,112	21.8	82,147,431	3.3	3,657	7,952,751	9.5	40,348,517	1.7
$1 under $8,000	25,550,927	24.8	105,303,803	4.2	4,121	10,025,784	11.9	55,912,852	2.3
$1 under $9,000	28,657,236	27.8	131,691,976	5.2	4,595	12,345,465	14.7	75,652,950	3.1
$1 under $10,000	31,897,926	31.0	162,418,478	6.4	5,092	15,051,183	17.9	101,340,979	4.2
$1 under $11,000	34,800,807	33.8	192,883,170	7.6	5,542	17,672,201	21.0	128,862,117	5.3
$1 under $12,000	37,627,759	36.5	225,383,586	8.9	5,990	20,316,290	24.2	159,261,348	6.5
$1 under $13,000	40,355,913	39.2	259,477,585	10.3	6,430	22,881,295	27.3	191,313,404	7.8
$1 under $14,000	43,154,943	41.9	297,250,726	11.8	6,888	25,559,324	30.4	227,455,973	9.3
$1 under $15,000	45,603,978	44.3	332,786,362	13.2	7,297	27,922,743	33.3	261,748,250	10.7
$1 under $16,000	48,023,967	46.6	370,285,292	14	7,710	30,264,513	36.0	298,034,821	12.2
$1 under $17,000	50,348,394	48.9	408,628,252	16.2	8,116	32,553,501	38.8	335,790,239	13.8
$1 under $18,000	52,581,927	51.0	447,699,037	17.7	8,514	34,759,350	41.4	374,378,972	15.3
$1 under $19,000	54,826,630	53.2	489,219,726	19.4	8,923	36,959,861	44.0	415,085,778	17.0
$1 under $20,000	56,894,229	55.2	529,517,670	21.0	9,307	38,986,993	46.4	454,591,061	18.6
$1 under $25,000	65,115,660	64.2	736,066,754	29.2	11,133	48,126,448	57.3	659,337,210	27.0
$1 under $30,000	73,674,661	71.5	943,943,126	37.4	12,812	55,625,895	66.2	865,560,996	35.5
$1 under $40,000	85,164,290	82.6	1,342,104,294	53.2	15,759	67,060,148	79.9	1,261,787,361	51.7
$1 under $50,000	92,623,066	89.9	1,674,315,157	66.3	18,077	74,507,111	88.7	1,593,496,137	65.3
$1 under $75,000	99,050,891	96.1	2,056,146,926	81.5	20,758	80,921,712	96.4	1,974,533,585	80.9
$1 under $100,000	100,597,667	97.6	2,188,073,655	86.7	21,751	82,465,158	98.2	2,106,191,858	86.3
$1 under $200,000	101,713,260	98.7	2,335,047,460	92.5	22,957	83,578,321	99.5	2,252,872,003	92.3
$1 under $500,000	102,004,206	99.0	2,417,888,067	95.8	23,704	83,868,750	99.9	2,335,567,626	95.7
$1 under $1,000,000	102,055,764	99.0	2,451,558,530	97.1	24,022	83,920,217	99.9	2,369,175,547	97.0
$1 or more	102,087,623	99.1	2,524,123,612	100.0	24,725	83,952,025	100.0	2,441,564,276	100.0
All returns	**103,045,170**	**100.0**	**2,481,681,046**	**98.3**	**24,083**	**83,957,413**	**100.0**	**2,440,231,669**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Smallest Size of Adjusted Gross Income											
No adjusted gross income	—	—	—	489	5,525	(2)	308,483	0.1	(2)	(2)	20,047
$1 under $1,000	—	—	—	—	—	—	7,466	(2)	(2)	(2)	9,356
$1 under $2,000	205,005	568,078	(2)	208,426	16,301	(2)	26,142	(2)	4.6	8.0	125
$1 under $3,000	403,433	1,267,024	0.1	411,622	55,490	(2)	66,314	(2)	5.2	8.0	161
$1 under $4,000	1,314,697	3,888,606	0.2	1,322,886	134,732	(2)	146,805	(2)	3.8	3.5	111
$1 under $5,000	3,739,445	12,119,257	0.6	3,747,394	384,710	0.1	397,477	0.1	3.3	2.6	106
$1 under $6,000	5,826,556	20,783,299	1.1	5,834,506	784,582	0.2	797,353	0.2	3.8	3.0	137
$1 under $7,000	7,940,317	31,442,151	1.6	7,950,146	1,422,435	0.4	1,444,522	0.4	4.6	3.6	182
$1 under $8,000	10,013,005	43,606,035	2.3	10,022,834	2,253,068	0.6	2,278,817	0.6	5.2	4.1	227
$1 under $9,000	12,332,683	58,984,466	3.1	12,342,512	3,372,271	0.9	3,398,221	0.9	5.8	4.5	275
$1 under $10,000	15,038,398	78,758,426	4.1	15,048,227	4,871,800	1.4	4,899,307	1.3	6.2	4.8	326
$1 under $11,000	17,659,305	99,859,670	5.2	17,669,134	6,570,350	1.8	6,601,422	1.8	6.6	5.1	374
$1 under $12,000	20,302,730	122,953,881	6.4	20,312,559	8,567,249	2.4	8,602,408	2.3	7.0	5.4	423
$1 under $13,000	22,866,782	147,971,307	7.7	22,876,611	10,890,018	3.0	10,928,256	3.0	7.4	5.7	478
$1 under $14,000	25,544,690	176,562,779	9.2	25,554,519	13,652,776	3.8	13,697,939	3.7	7.8	6.0	536
$1 under $15,000	27,908,108	203,454,707	10.6	27,917,273	16,290,407	4.5	16,337,838	4.4	8.0	6.2	585
$1 under $16,000	30,249,861	232,231,084	12.1	30,259,026	19,277,629	5.3	19,325,666	5.3	8.3	6.5	639
$1 under $17,000	32,538,840	262,304,797	13.7	32,548,005	22,593,953	6.3	22,642,442	6.2	8.6	6.7	696
$1 under $18,000	34,744,665	293,295,529	15.3	34,753,830	26,048,620	7.2	26,102,320	7.1	8.9	7.0	751
$1 under $19,000	36,944,633	325,984,548	17.0	36,953,740	29,825,395	8.3	29,886,408	8.1	9.2	7.2	809
$1 under $20,000	38,971,756	357,665,363	18.7	38,980,863	33,598,879	9.3	33,678,496	9.2	9.4	7.4	864
$1 under $25,000	48,108,873	522,406,176	27.3	48,117,738	54,457,624	15.1	54,561,284	14.9	10.4	8.3	1,134
$1 under $30,000	55,604,233	687,207,662	35.9	55,615,391	77,271,322	21.4	77,412,246	21.1	11.3	8.9	1,392
$1 under $40,000	67,035,769	1,000,333,425	52.2	67,039,274	125,716,611	34.9	126,040,748	34.3	12.6	10.0	1,880
$1 under $50,000	74,481,787	1,259,562,987	65.7	74,483,413	171,193,125	47.5	171,784,973	46.8	13.6	10.8	2,306
$1 under $75,000	80,892,529	1,554,787,178	81.1	80,881,394	233,089,180	64.6	234,244,806	63.8	15.1	11.9	2,895
$1 under $100,000	82,434,228	1,654,983,083	86.4	82,417,589	258,750,388	71.8	260,525,771	70.9	15.7	12.4	3,159
$1 under $200,000	83,545,411	1,767,732,365	92.3	83,525,891	294,738,967	81.7	297,814,968	81.1	16.8	13.2	3,563
$1 under $500,000	83,834,767	1,831,969,318	95.6	83,814,687	320,716,459	88.9	324,881,704	88.5	17.7	13.9	3,874
$1 under $1,000,000	83,886,005	1,859,279,932	97.0	83,865,888	333,173,043	92.4	337,809,822	92.0	18.2	14.3	4,025
$1 or more	83,917,711	1,916,198,235	100.0	83,897,590	360,565,740	100.0	366,978,730	99.9	19.2	15.0	4,371
All returns	**83,917,711**	**1,916,198,235**	**100.0**	**83,898,079**	**360,571,264**	**100.0**	**367,287,213**	**100.0**	**19.2**	**15.1**	**4,374**

Footnote(s) at end of table.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total[1]	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Largest Size of Adjusted Gross Income									
$1,000,000 or more	31,859	[2]	72,565,082	2.9	2,277,695	31,808	[2]	72,388,730	3.0
$500,000 or more	83,417	0.1	106,235,545	4.2	1,273,548	83,275	0.1	105,996,651	4.3
$200,000 or more	374,363	0.4	189,076,152	7.5	505,061	373,704	0.4	188,692,273	7.7
$100,000 or more	1,489,956	1.4	336,049,956	13.3	225,544	1,486,867	1.8	335,372,419	13.7
$75,000 or more	3,036,732	2.9	467,976,686	18.5	154,105	3,030,313	3.6	467,030,691	19.1
$50,000 or more	9,464,557	9.2	849,808,454	33.7	89,789	9,444,914	11.2	848,068,140	34.7
$40,000 or more	16,923,333	16.4	1,182,019,318	46.8	69,846	16,891,877	20.1	1,179,776,916	48.3
$30,000 or more	28,412,962	27.6	1,580,180,486	62.6	55,615	28,326,130	33.7	1,576,003,280	64.5
$25,000 or more	35,971,963	34.9	1,788,056,858	70.8	49,707	35,825,577	42.7	1,782,227,066	73.0
$20,000 or more	45,193,394	43.9	1,994,605,942	79.0	44,135	44,965,032	53.6	1,986,973,215	81.4
$19,000 or more	47,260,993	45.9	2,034,903,885	80.6	43,057	46,992,164	56.0	2,026,478,499	83.0
$18,000 or more	49,505,696	48.0	076,424,575	82.3	41,943	49,192,675	58.6	2,067,185,305	84.7
$17,000 or more	51,739,229	50.2	115,495,360	83.8	40,888	51,398,524	61.2	2,105,774,038	86.2
$16,000 or more	54,063,656	52.5	153,838,320	85.3	39,839	53,687,512	63.9	2,143,529,456	87.8
$15,000 or more	56,483,645	54.8	2,131,337,250	86.8	38,796	56,029,282	66.7	2,179,816,026	89.3
$14,000 or more	58,932,680	57.2	2,226,972,886	88.2	37,787	58,392,701	69.5	2,214,108,303	90.7
$13,000 or more	61,731,710	59.9	2,264,646,027	89.7	36,685	61,070,730	72.7	2,250,250,872	92.2
$12,000 or more	64,459,864	62.6	2,298,740,025	91.1	35,662	63,635,735	75.8	2,282,302,928	93.5
$11,000 or more	67,286,816	65.3	2,331,240,442	92.4	34,646	66,279,824	78.9	2,312,702,160	94.7
$10,000 or more	70,189,697	68.1	2,361,705,133	93.6	33,647	68,900,842	82.1	2,340,223,297	95.8
$9,000 or more	73,430,387	71.3	2,392,431,636	94.8	32,581	71,606,560	85.3	2,365,911,318	96.9
$8,000 or more	76,536,696	74.3	2,418,819,809	95.8	31,603	73,926,241	88.0	2,385,651,424	97.7
$7,000 or more	79,623,511	77.3	2,441,976,181	96.7	30,669	75,999,274	90.5	2,401,215,760	98.3
$6,000 or more	82,970,030	80.5	2,463,746,553	97.6	29,694	78,116,002	93.0	2,415,001,062	98.9
$5,000 or more	86,100,010	83.6	2,480,933,186	98.3	28,815	80,203,115	95.5	2,426,449,723	99.4
$4,000 or more	89,795,978	87.1	2,497,573,612	98.9	27,814	82,627,865	98.4	2,437,367,561	99.8
$3,000 or more	93,018,858	90.3	2,508,801,635	99.4	26,971	83,539,393	99.5	2,440,735,163	100.0
$2,000 or more	96,610,528	93.8	2,517,833,975	99.8	26,062	83,742,792	99.7	2,441,236,993	100.0
$1,000 or more	99,962,304	97.0	2,522,873,285	100.0	25,238	83,951,227	100.0	2,441,564,159	100.0
$1 or more	102,087,623	99.1	2,524,123,612	100.0	24,725	83,952,025	100.0	2,441,564,276	100.0
All returns	**103,045,170**	**100.0**	**2,481,681,046**	**98.3**	**24,083**	**83,967,413**	**100.0**	**2,440,231,669**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Largest Size of Adjusted Gross Income											
$1,000,000 or more	31,706	56,918,303	3.0	31,702	27,392,697	7.6	29,168,908	7.9	51.2	40.3	917,031
$500,000 or more	82,944	84,228,917	4.4	82,903	39,849,281	11.1	42,097,026	11.5	50.0	39.7	505,518
$200,000 or more	372,300	148,465,870	7.7	371,699	65,826,773	18.3	69,163,762	18.8	46.6	36.7	185,076
$100,000 or more	1,483,483	261,215,152	13.6	1,480,001	101,815,352	28.2	106,452,959	29.0	40.8	31.7	71,595
$75,000 or more	3,025,182	361,411,057	18.9	3,016,196	127,476,560	35.4	132,733,924	36.1	36.7	28.4	43,802
$50,000 or more	9,435,924	656,635,248	34.3	9,414,177	189,372,614	52.5	195,193,758	53.1	29.7	23.0	20,667
$40,000 or more	16,881,942	915,864,810	47.8	16,858,316	234,849,129	65.1	240,937,982	65.6	26.3	20.4	14,264
$30,000 or more	28,313,478	1,228,990,573	64.1	28,282,199	283,294,417	78.6	289,566,485	78.8	23.6	18.4	10,223
$25,000 or more	35,808,838	1,393,792,059	72.7	35,779,852	306,108,115	84.9	312,417,446	85.1	22.4	17.5	8,721
$20,000 or more	44,945,955	1,558,532,872	81.3	44,916,727	326,966,860	90.7	333,300,234	90.7	21.4	16.8	7,412
$19,000 or more	46,973,078	1,590,213,687	83.0	46,943,850	330,740,344	91.7	337,092,322	91.8	21.2	16.6	7,173
$18,000 or more	49,173,046	1,622,902,706	84.7	49,143,760	334,517,120	92.8	340,876,410	92.8	21.0	16.5	6,929
$17,000 or more	51,378,871	1,653,893,438	86.3	51,349,585	337,971,787	93.7	344,336,288	93.8	20.8	16.4	6,699
$16,000 or more	53,667,850	1,683,967,151	87.9	53,638,564	341,288,111	94.7	347,653,064	94.7	20.6	16.2	6,475
$15,000 or more	56,009,603	1,712,743,528	89.4	55,980,317	344,275,332	95.5	350,640,892	95.5	20.5	16.1	6,258
$14,000 or more	58,373,021	1,739,635,456	90.8	58,343,071	346,912,963	96.2	353,280,892	96.2	20.3	16.0	6,050
$13,000 or more	61,050,929	1,768,226,928	92.3	61,020,979	349,675,721	97.0	356,050,474	96.9	20.1	15.8	5,830
$12,000 or more	63,614,981	1,793,244,354	93.6	63,585,031	351,998,491	97.6	358,376,323	97.6	20.0	15.7	5,632
$11,000 or more	66,258,406	1,816,338,565	94.8	66,228,456	353,995,389	98.2	360,377,308	98.1	19.8	15.6	5,437
$10,000 or more	68,879,313	1,837,439,808	95.9	68,849,363	355,693,939	98.6	362,079,424	98.6	19.7	15.5	5,255
$9,000 or more	71,585,028	1,857,213,769	96.9	71,555,078	357,193,469	99.1	363,580,510	99.0	19.6	15.4	5,077
$8,000 or more	73,904,706	1,872,592,200	97.7	73,874,756	358,312,672	99.4	364,699,913	99.3	19.5	15.3	4,933
$7,000 or more	75,977,394	1,884,756,084	98.4	75,947,444	359,143,304	99.6	365,534,209	99.5	19.4	15.2	4,810
$6,000 or more	78,091,155	1,895,414,935	98.9	78,063,084	359,781,158	99.8	366,181,378	99.7	19.3	15.2	4,688
$5,000 or more	80,178,266	1,904,078,978	99.4	80,150,196	360,181,030	99.9	366,581,254	99.8	19.3	15.1	4,571
$4,000 or more	82,603,014	1,912,309,629	99.8	82,574,704	360,431,007	100.0	366,831,925	99.9	19.2	15.1	4,440
$3,000 or more	83,514,278	1,914,931,211	99.9	83,485,968	360,510,250	100.0	366,912,416	99.9	19.2	15.0	4,392
$2,000 or more	83,712,706	1,915,630,157	100.0	83,689,164	360,549,438	100.0	366,952,588	99.9	19.2	15.0	4,382
$1,000 or more	83,917,711	1,916,198,235	100.0	83,897,590	360,565,740	100.0	366,971,264	99.9	19.2	15.0	4,371
$1 or more	83,917,711	1,916,198,235	100.0	83,897,590	360,565,740	100.0	366,978,730	99.9	19.2	15.0	4,371
All returns	**83,917,711**	**1,916,198,235**	**100.0**	**83,896,079**	**360,571,264**	**100.0**	**367,287,213**	**100.0**	**19.2**	**15.1**	**4,374**

[1] Percent based on positive income only.
[2] Less than 0.05 percent.
[3] Percent not computed.
NOTE: Detail may not add to total because of rounding.

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions				Taxable income		Income tax after credits		Total income tax	
				Total		Excess itemized deductions							
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**103,045,170**	**2,481,681,046**	**265,152,112**	**40,667,008**	**447,057,972**	**40,169,452**	**313,333,998**	**97,358,296**	**1,947,024,584**	**83,898,079**	**360,571,264**	**83,967,413**	**367,287,213**
No adjusted gross income	957,547	−42,442,566	2,504,103	—	—	—	—	—	—	489	5,525	15,388	308,483
$1 under $5,000	15,987,613	43,190,425	25,485,996	756,068	3,153,187	384,197	1,881,213	11,962,121	22,454,798	3,747,394	384,710	3,748,910	397,477
$5,000 under $10,000	15,910,313	119,228,053	33,617,553	1,621,767	9,570,477	1,553,876	5,047,094	15,505,727	80,175,587	11,300,833	4,487,091	11,302,273	4,501,830
$10,000 under $15,000	13,706,052	170,367,883	32,604,023	2,441,139	15,317,770	2,395,277	8,096,933	13,550,911	128,124,161	12,869,046	11,418,607	12,871,560	11,438,531
$15,000 under $20,000	11,290,251	196,731,308	28,604,542	3,220,896	20,383,333	3,213,173	10,577,306	11,232,981	155,416,673	11,063,590	17,308,472	11,064,250	17,340,658
$20,000 under $25,000	9,221,431	206,549,084	24,999,109	4,005,784	27,000,974	4,005,784	14,631,254	9,194,660	165,356,554	9,136,875	20,858,745	9,139,455	20,882,788
$25,000 under $30,000	7,559,001	207,876,373	22,528,086	4,437,840	33,106,790	4,434,476	18,932,890	7,541,896	165,356,830	7,497,653	22,813,698	7,499,447	22,850,962
$30,000 under $40,000	11,489,629	398,161,168	36,457,371	8,642,538	75,686,077	8,642,538	46,683,371	11,474,320	313,916,976	11,423,883	48,445,289	11,434,253	48,628,503
$40,000 under $50,000	7,458,776	332,210,863	25,320,165	6,528,999	69,865,742	6,528,999	46,991,181	7,451,366	259,365,436	7,444,139	45,476,514	7,446,963	45,744,224
$50,000 under $75,000	6,427,825	381,831,768	22,317,732	6,055,579	85,791,966	6,055,579	64,283,135	6,417,415	295,296,881	6,397,981	61,896,054	6,414,601	62,459,834
$75,000 under $100,000	1,546,776	131,926,730	5,416,999	1,496,996	31,636,037	1,496,996	26,345,892	1,542,724	100,211,601	1,536,195	25,661,208	1,543,446	26,280,965
$100,000 under $200,000	1,115,593	146,973,805	3,970,810	1,092,859	34,261,120	1,092,137	30,402,930	1,111,622	112,757,958	1,108,302	35,988,579	1,113,163	37,289,197
$200,000 under $500,000	290,946	82,840,607	1,029,985	283,811	19,197,582	283,704	17,690,439	289,557	64,277,685	288,796	25,977,492	290,429	27,066,736
$500,000 under $1,000,000	51,558	33,670,463	177,643	51,001	6,419,751	50,992	6,238,615	51,267	27,327,574	51,201	12,456,584	51,467	12,928,118
$1,000,000 or more	31,859	72,565,082	117,994	31,731	15,667,168	31,724	15,531,745	31,729	56,985,871	31,702	27,392,697	31,808	29,168,908
Taxable returns, total	**83,967,413**	**2,440,231,669**	**219,933,042**	**38,626,679**	**423,166,833**	**38,148,382**	**295,805,944**	**83,917,711**	**1,916,198,235**	**83,898,079**	**360,571,264**	**83,967,413**	**367,287,213**
No adjusted gross income	15,388	−1,332,607	39,285	—	—	—	—	—	—	489	5,525	15,388	308,483
$1 under $5,000	3,748,910	15,114,553	4,185,059	393,437	252,406	35,869	34,896	3,739,445	12,119,257	3,747,394	384,710	3,748,910	397,477
$5,000 under $10,000	11,302,273	86,226,426	17,493,256	767,636	2,899,745	702,701	966,630	11,298,953	66,639,170	11,300,833	4,487,091	11,302,273	4,501,830
$10,000 under $15,000	12,871,560	160,407,271	29,120,842	1,971,465	9,992,637	1,925,603	4,309,522	12,869,710	124,696,281	12,869,046	11,418,607	12,871,560	11,438,531
$15,000 under $20,000	11,064,250	192,842,811	27,643,151	3,056,315	17,819,859	3,048,592	8,556,936	11,063,648	154,210,655	11,063,590	17,308,472	11,064,250	17,340,658
$20,000 under $25,000	9,139,455	204,746,149	24,657,542	3,942,465	25,704,323	3,942,465	13,550,516	9,137,117	164,740,813	9,136,875	20,858,745	9,139,455	20,882,788
$25,000 under $30,000	7,499,447	206,223,786	22,335,411	4,389,401	31,923,448	4,386,037	17,913,624	7,495,360	164,801,486	7,497,653	22,813,698	7,499,447	22,850,962
$30,000 under $40,000	11,434,253	396,226,364	36,235,264	8,595,331	74,332,391	8,595,331	45,489,719	11,431,536	313,125,763	11,423,883	48,445,289	11,434,253	48,628,503
$40,000 under $50,000	7,446,963	331,708,776	25,268,512	6,520,219	69,433,029	6,520,219	46,590,353	7,446,018	259,229,563	7,444,139	45,476,514	7,446,963	45,744,224
$50,000 under $75,000	6,414,601	381,037,449	22,266,894	6,042,355	84,702,148	6,042,355	63,237,361	6,410,742	295,224,191	6,397,981	61,896,054	6,414,601	62,459,834
$75,000 under $100,000	1,543,446	131,658,272	5,404,592	1,493,666	31,297,804	1,493,666	26,018,944	1,541,699	100,195,905	1,536,195	25,661,208	1,543,446	26,280,965
$100,000 under $200,000	1,113,163	146,680,146	3,960,069	1,090,429	33,886,212	1,089,707	30,036,192	1,111,183	112,749,282	1,108,302	35,988,579	1,113,163	37,289,197
$200,000 under $500,000	290,429	82,695,622	1,028,029	283,354	19,043,105	283,247	17,537,655	289,356	64,236,053	288,796	25,977,492	290,429	27,066,736
$500,000 under $1,000,000	51,467	33,607,921	177,344	50,919	6,344,988	50,910	6,164,128	51,238	27,310,614	51,201	12,456,584	51,467	12,928,118
$1,000,000 or more	31,808	72,388,730	117,792	31,687	15,534,739	31,680	15,399,468	31,706	56,918,303	31,702	27,392,697	31,808	29,168,908
Nontaxable returns, total	**19,077,757**	**41,449,377**	**45,219,070**	**2,038,329**	**23,891,139**	**2,021,070**	**17,528,054**	**13,440,585**	**30,826,349**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions				Taxable income		Income tax after credits		Total income tax	
				Total		Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				Number of returns	Amount	Number of returns	Amount						
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns, total	**47,870,191**	**1,710,618,197**	**178,404,473**	**28,247,663**	**349,093,755**	**28,244,707**	**245,430,207**	**45,894,440**	**1,319,005,047**	**42,537,189**	**261,132,080**	**42,590,214**	**266,460,002**
No adjusted gross income	531,498	−31,898,827	1,881,742	—	—	—	—	—	—	274	2,052	8,612	240,166
$1 under $5,000	1,547,536	4,664,388	5,823,657	146,567	1,446,281	146,567	901,346	540,230	640,385	*15,855	*51,809	16,756	60,662
$5,000 under $10,000	3,603,367	27,886,580	13,521,873	550,225	3,896,126	547,269	1,886,052	3,362,425	12,528,697	1,230,178	214,198	1,230,490	216,718
$10,000 under $15,000	4,480,291	56,249,389	16,997,296	1,079,919	8,030,278	1,079,919	4,083,686	4,373,588	34,556,248	3,968,942	2,103,856	3,970,782	2,119,077
$15,000 under $20,000	4,660,440	81,703,195	17,783,684	1,562,349	11,430,102	1,562,349	5,713,626	4,632,704	57,293,224	4,500,878	5,033,625	4,501,483	5,046,334
$20,000 under $25,000	4,874,854	109,485,106	17,919,378	2,100,540	15,821,654	2,100,540	8,125,083	4,856,383	82,425,749	4,805,188	8,701,926	4,807,710	8,725,703
$25,000 under $30,000	4,791,820	131,924,654	18,016,954	2,694,543	21,476,885	2,694,543	11,599,268	4,782,052	101,507,195	4,742,823	12,343,149	4,744,551	12,370,135
$30,000 under $40,000	8,530,675	296,948,179	31,671,088	6,406,163	57,490,629	6,406,163	34,002,081	8,519,838	230,278,322	8,477,916	32,762,093	8,486,310	32,868,057
$40,000 under $50,000	6,410,569	285,881,820	23,568,543	5,636,789	60,458,326	5,636,789	39,790,887	6,400,522	222,091,432	6,396,295	37,467,360	6,399,035	37,608,413
$50,000 under $75,000	5,777,052	343,378,591	21,163,058	5,468,033	77,327,028	5,468,033	57,272,865	5,769,653	264,957,367	5,753,920	54,175,955	5,767,496	54,568,375
$75,000 under $100,000	1,372,972	116,949,560	5,111,644	1,332,990	27,872,855	1,332,990	22,987,512	1,369,324	88,922,066	1,363,685	22,270,486	1,370,266	22,658,872
$100,000 under $200,000	978,779	129,213,860	3,731,432	962,539	30,211,425	962,539	26,672,433	975,821	98,924,392	973,106	30,965,186	976,926	32,038,406
$200,000 under $500,000	237,440	67,308,117	937,893	234,617	14,559,913	234,617	13,612,937	236,346	52,892,895	235,639	21,102,948	237,009	22,019,813
$500,000 under $1,000,000	44,784	29,083,399	165,274	44,353	5,484,689	44,353	5,319,722	44,556	23,659,501	44,501	10,735,614	44,718	11,126,463
$1,000,000 or more	28,114	61,840,187	110,956	28,036	13,587,564	28,036	13,462,710	28,008	48,327,574	27,989	23,201,824	28,070	24,792,809
Taxable returns, total	**42,590,214**	**1,704,437,762**	**156,901,750**	**27,109,206**	**334,522,810**	**27,109,206**	**235,030,863**	**42,551,507**	**1,307,654,495**	**42,537,189**	**261,132,080**	**42,590,214**	**266,460,002**
No adjusted gross income	8,612	−1,075,097	28,179	—	—	—	—	—	—	274	2,052	8,612	240,166
$1 under $5,000	16,756	47,515	40,491	4,249	31,657	4,249	16,073	*7,963	*12,432	*15,855	*51,809	16,756	60,662
$5,000 under $10,000	1,230,490	10,565,257	3,619,112	137,727	688,303	137,727	185,128	1,227,222	6,552,579	1,230,178	214,198	1,230,490	216,718
$10,000 under $15,000	3,970,782	50,110,271	14,556,955	759,458	4,519,043	759,458	1,747,120	3,969,606	32,852,044	3,968,942	2,103,856	3,970,782	2,119,077
$15,000 under $20,000	4,501,483	78,941,595	17,034,447	1,445,733	9,686,221	1,445,733	4,394,057	4,500,936	56,415,910	4,500,878	5,033,625	4,501,483	5,046,334
$20,000 under $25,000	4,807,710	108,000,979	17,615,752	2,050,233	14,889,430	2,050,233	7,376,501	4,805,430	81,852,590	4,805,188	8,701,926	4,807,710	8,725,703
$25,000 under $30,000	4,744,551	130,621,409	17,847,869	2,657,575	20,674,009	2,657,575	10,932,024	4,740,530	100,975,291	4,742,823	12,343,149	4,744,551	12,370,135
$30,000 under $40,000	8,486,310	295,394,847	31,486,843	6,369,967	56,581,052	6,369,967	33,225,229	8,484,441	229,553,152	8,477,916	32,762,093	8,486,310	32,868,057
$40,000 under $50,000	6,399,035	285,393,104	23,517,426	5,628,288	60,048,599	5,628,288	39,412,358	6,398,174	221,955,559	6,396,295	37,467,360	6,399,035	37,608,413
$50,000 under $75,000	5,767,496	342,811,276	21,120,486	5,458,477	76,565,656	5,458,477	56,546,447	5,764,194	264,887,256	5,753,920	54,175,955	5,767,496	54,568,375
$75,000 under $100,000	1,370,266	116,728,618	5,099,917	1,330,284	27,585,171	1,330,284	22,709,565	1,368,912	88,906,454	1,363,685	22,270,486	1,370,266	22,658,872
$100,000 under $200,000	976,926	128,988,895	3,722,357	960,686	29,924,523	960,686	26,392,271	975,391	98,916,031	973,106	30,965,186	976,926	32,038,406
$200,000 under $500,000	237,009	67,187,978	936,127	234,240	14,435,204	234,240	13,489,606	236,177	52,858,053	235,639	21,102,948	237,009	22,019,813
$500,000 under $1,000,000	44,718	29,039,352	165,019	44,291	5,425,199	44,291	5,260,458	44,540	23,651,146	44,501	10,735,614	44,718	11,126,463
$1,000,000 or more	28,070	61,681,763	110,770	27,998	13,468,743	27,998	13,344,026	27,991	48,265,998	27,989	23,201,824	28,070	24,792,809
Nontaxable returns, total	**5,279,977**	**6,180,436**	**21,502,722**	**1,138,457**	**14,570,945**	**1,135,501**	**10,399,344**	**3,342,933**	**11,350,553**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married people filing separately, heads of households, and surviving spouses												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions				Taxable income		Income tax after credits		Total income tax	
				Total		Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				Number of returns	Amount	Number of returns	Amount						
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**11,375,463**	**179,327,396**	**31,304,476**	**3,449,105**	**27,044,592**	**3,441,383**	**18,642,599**	**10,414,202**	**132,529,110**	**7,623,583**	**18,813,564**	**7,626,902**	**19,131,795**
No adjusted gross income	75,601	−2,827,848	182,755	—	—	—	—	—	—	**	**	**	**
$1 under $5,000	1,747,134	4,925,069	4,701,309	*26,794	*192,261	*26,794	*116,417	933,875	1,255,981	**75,613	**7,000	**76,075	**18,550
$5,000 under $10,000	2,636,726	19,693,256	7,329,430	224,775	1,061,560	224,775	525,908	2,585,842	11,643,227	918,261	261,591	919,148	266,293
$10,000 under $15,000	2,283,322	28,532,829	6,513,640	413,409	2,133,597	405,687	1,143,775	2,270,413	20,565,190	2,049,907	1,535,930	2,049,917	1,535,989
$15,000 under $20,000	1,614,130	27,863,434	4,502,799	599,957	3,237,290	599,957	1,755,097	1,609,303	21,335,895	1,578,262	2,204,859	1,578,263	2,223,461
$20,000 under $25,000	1,117,231	24,925,530	3,122,322	624,785	4,014,721	624,785	2,510,012	1,116,618	19,153,723	1,111,849	2,426,481	1,111,849	2,426,481
$25,000 under $30,000	712,074	19,521,381	1,891,242	526,387	3,739,268	526,387	2,450,729	710,005	15,131,706	709,804	2,198,394	709,804	2,198,394
$30,000 under $40,000	747,481	25,495,186	1,894,705	627,042	5,496,851	627,042	3,970,176	747,232	19,577,886	739,620	3,355,040	740,507	3,380,527
$40,000 under $50,000	230,976	10,280,080	601,824	202,840	2,328,740	202,840	1,829,509	230,756	7,824,791	230,756	1,525,454	230,765	1,558,258
$50,000 under $75,000	143,311	8,451,427	390,303	136,326	2,021,408	136,326	1,682,546	142,959	6,376,352	142,366	1,479,183	143,201	1,512,453
$75,000 under $100,000	31,858	2,702,113	84,681	31,451	624,959	31,451	548,409	31,825	2,070,100	31,825	606,170	31,858	628,368
$100,000 under $200,000	25,696	3,449,038	64,714	25,453	850,681	25,453	789,761	25,560	2,612,485	25,542	918,109	25,636	975,910
$200,000 under $500,000	7,419	2,240,405	18,458	7,406	495,237	7,406	478,203	7,322	1,750,408	7,295	752,840	7,383	792,749
$500,000 under $1,000,000	1,566	1,082,725	3,940	1,548	227,690	1,548	224,147	1,560	855,477	1,555	402,123	1,561	421,815
$1,000,000 or more	938	2,992,771	2,353	932	620,328	932	617,910	932	2,375,889	928	1,140,389	935	1,192,546
Taxable returns, total	**7,626,902**	**161,568,257**	**20,227,906**	**3,196,077**	**25,021,123**	**3,188,355**	**17,237,874**	**7,625,918**	**123,183,166**	**7,623,583**	**18,813,564**	**7,626,902**	**19,131,795**
No adjusted gross income	463	−41,191	1,223	—	—	—	—	—	—	**	**	**	**
$1 under $5,000	75,612	303,266	104,831	—	—	—	—	75,612	200,845	**75,613	**7,000	**76,075	**18,550
$5,000 under $10,000	919,148	7,597,399	2,115,692	94,900	386,649	94,900	163,906	919,097	5,221,980	918,261	261,591	919,148	266,293
$10,000 under $15,000	2,049,917	25,764,498	5,640,233	351,637	1,605,043	343,915	759,500	2,049,907	19,034,481	2,049,907	1,535,930	2,049,917	1,535,989
$15,000 under $20,000	1,578,263	27,269,598	4,350,052	580,213	3,025,083	580,213	1,591,803	1,578,262	21,073,524	1,578,262	2,204,859	1,578,263	2,223,461
$20,000 under $25,000	1,111,849	24,815,535	3,099,736	619,403	3,908,891	619,403	2,417,530	1,111,849	19,152,304	1,111,849	2,426,481	1,111,849	2,426,481
$25,000 under $30,000	709,804	19,460,776	1,886,156	524,318	3,656,817	524,318	2,373,409	709,804	15,127,165	709,804	2,198,394	709,804	2,198,394
$30,000 under $40,000	740,507	25,244,025	1,864,836	620,068	5,316,094	620,068	3,806,714	740,506	19,517,728	739,620	3,355,040	740,507	3,380,527
$40,000 under $50,000	230,765	10,269,664	601,358	202,629	2,317,038	202,629	1,818,330	230,756	7,824,791	230,756	1,525,454	230,765	1,558,258
$50,000 under $75,000	143,201	8,444,902	389,900	136,216	2,010,230	136,216	1,671,640	142,959	6,376,352	142,366	1,479,183	143,201	1,512,453
$75,000 under $100,000	31,858	2,702,113	84,681	31,451	624,959	31,451	548,409	31,825	2,070,100	31,825	606,170	31,858	628,368
$100,000 under $200,000	25,636	3,441,784	64,584	25,393	842,117	25,393	781,346	25,551	2,612,170	25,542	918,109	25,636	975,910
$200,000 under $500,000	7,383	2,228,972	18,349	7,374	482,496	7,374	465,533	7,306	1,746,619	7,295	752,840	7,383	792,749
$500,000 under $1,000,000	1,561	1,079,181	3,929	**2,475	**845,704	**2,475	**839,755	1,555	853,046	1,555	402,123	1,561	421,815
$1,000,000 or more	935	2,987,733	2,344	**	**	**	**	929	2,372,060	928	1,140,389	935	1,192,546
Nontaxable returns, total	**3,748,561**	**17,759,140**	**11,076,569**	**253,028**	**2,023,469**	**253,028**	**1,404,725**	**2,788,284**	**9,345,944**	—	—	—	—

Footnote(s) at end of table.

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons											
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions				Taxable income		Income tax after credits		Total income tax	
				Total		Excess itemized deductions							
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All returns, total	**43,799,516**	**501,735,452**	**55,443,164**	**8,970,240**	**70,919,625**	**8,483,362**	**49,261,191**	**41,049,654**	**495,490,426**	**33,737,307**	**80,625,621**	**33,750,297**	**81,695,416**
No adjusted gross income	350,448	−7,715,891	439,606	—	—	—	—	—	—	*214	*3,473	6,313	56,767
$1 under $5,000	12,692,943	33,600,968	14,961,030	582,707	1,514,644	210,836	863,450	10,488,016	20,558,431	3,655,927	325,901	3,656,542	329,815
$5,000 under $10,000	9,670,220	71,648,217	12,766,250	846,767	4,612,790	781,832	2,635,134	9,557,460	56,003,663	9,152,394	4,011,302	9,152,635	4,018,818
$10,000 under $15,000	6,942,439	85,585,665	9,093,086	947,811	5,153,895	909,671	2,869,472	6,906,910	73,002,724	6,850,197	7,778,821	6,850,861	7,783,466
$15,000 under $20,000	5,015,681	87,164,679	6,318,059	1,058,590	5,715,941	1,050,867	3,108,584	4,990,974	76,787,553	4,984,450	10,069,988	4,984,504	10,070,863
$20,000 under $25,000	3,229,346	72,138,448	3,957,409	1,280,459	7,164,599	1,280,459	3,996,159	3,221,559	63,777,081	3,219,838	9,730,338	3,219,896	9,730,604
$25,000 under $30,000	2,055,107	56,430,337	2,619,890	1,216,910	7,890,637	1,213,546	4,882,892	2,049,839	48,717,929	2,045,026	8,272,155	2,045,092	8,282,433
$30,000 under $40,000	2,211,473	75,717,803	2,891,578	1,609,333	12,698,597	1,609,333	8,711,114	2,207,260	64,060,768	2,206,347	12,328,157	2,207,436	12,379,919
$40,000 under $50,000	817,231	36,048,964	1,149,798	689,370	7,078,676	689,370	5,370,785	817,088	29,449,213	817,088	6,483,700	817,163	6,577,553
$50,000 under $75,000	507,462	30,001,750	764,371	451,220	6,443,530	451,220	5,327,724	504,803	23,963,161	501,695	6,240,917	503,904	6,379,005
$75,000 under $100,000	141,946	12,275,056	220,674	132,555	3,138,222	132,555	2,809,971	141,575	9,219,435	140,685	2,784,552	141,322	2,993,724
$100,000 under $200,000	111,118	14,310,906	174,663	104,867	3,199,014	104,145	2,940,736	110,241	11,221,081	109,654	4,105,284	110,601	4,274,880
$200,000 under $500,000	46,087	13,292,085	73,634	41,788	4,142,431	41,681	3,599,298	45,889	9,634,382	45,862	4,121,704	46,037	4,254,175
$500,000 under $1,000,000	5,208	3,504,340	8,429	5,100	707,371	5,091	694,747	5,151	2,812,595	5,145	1,318,846	5,188	1,379,840
$1,000,000 or more	2,807	7,732,124	4,685	2,763	1,459,275	2,756	1,451,125	2,789	6,282,409	2,785	3,050,483	2,803	3,183,554
Taxable returns, total	**33,750,297**	**574,225,651**	**42,803,385**	**8,323,396**	**63,622,901**	**7,850,821**	**43,537,207**	**33,740,286**	**485,360,575**	**33,737,307**	**80,625,621**	**33,750,297**	**81,695,416**
No adjusted gross income	6,313	−216,319	9,882	—	—	—	—	—	—	*214	*3,473	6,313	56,767
$1 under $5,000	3,656,542	14,763,773	4,039,737	389,188	220,748	*31,620	*18,823	3,655,870	11,905,980	3,655,927	325,901	3,656,542	329,815
$5,000 under $10,000	9,152,635	68,063,770	11,758,452	535,009	1,824,793	470,074	617,597	9,152,634	54,864,610	9,152,394	4,011,302	9,152,635	4,018,818
$10,000 under $15,000	6,850,861	84,532,502	8,923,654	860,370	3,868,551	822,230	1,802,903	6,850,197	72,809,756	6,850,197	7,778,821	6,850,861	7,783,466
$15,000 under $20,000	4,984,504	86,631,619	6,258,651	1,030,369	5,108,555	1,022,646	2,571,076	4,984,450	76,721,222	4,984,450	10,069,988	4,984,504	10,070,863
$20,000 under $25,000	3,219,896	71,929,634	3,942,053	1,272,829	6,906,003	1,272,829	3,756,486	3,219,838	63,735,919	3,219,838	9,730,338	3,219,896	9,730,604
$25,000 under $30,000	2,045,092	56,141,602	2,601,386	1,207,508	7,592,622	1,204,144	4,608,191	2,045,026	48,699,029	2,045,026	8,272,155	2,045,092	8,282,433
$30,000 under $40,000	2,207,436	75,587,493	2,883,585	1,605,296	12,435,245	1,605,296	8,457,777	2,206,589	64,054,883	2,206,347	12,328,157	2,207,436	12,379,919
$40,000 under $50,000	817,163	36,046,008	1,149,727	689,302	7,067,392	689,302	5,359,664	817,088	29,449,213	817,088	6,483,700	817,163	6,577,553
$50,000 under $75,000	503,904	29,781,270	756,507	447,662	6,126,261	447,662	5,019,274	503,589	23,960,582	501,695	6,240,917	503,904	6,379,005
$75,000 under $100,000	141,322	12,227,541	219,994	131,931	3,087,673	131,931	2,760,970	140,962	9,219,351	140,685	2,784,552	141,322	2,993,724
$100,000 under $200,000	110,601	14,249,467	173,127	104,350	3,119,571	103,628	2,862,575	110,241	11,221,081	109,654	4,105,284	110,601	4,274,880
$200,000 under $500,000	46,037	13,278,671	73,553	41,740	4,125,405	41,633	3,582,516	45,873	9,632,281	45,862	4,121,704	46,037	4,254,175
$500,000 under $1,000,000	5,188	3,489,387	8,397	5,083	693,207	5,074	680,624	5,143	2,806,422	5,145	1,318,846	5,188	1,379,840
$1,000,000 or more	2,803	7,719,234	4,678	2,759	1,446,873	2,752	1,438,733	2,786	6,280,245	2,785	3,050,483	2,803	3,183,554
Nontaxable returns, total	**10,049,219**	**17,509,801**	**12,639,779**	**646,844**	**7,296,724**	**632,541**	**5,723,984**	**7,309,368**	**10,129,852**	—	—	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.

Table 1.3—All Returns: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	103,045,170	2,481,681,046	47,870,191	1,710,618,197	1,015,006	15,231,848	10,278,531	162,224,864	81,926	1,870,685	43,799,516	591,735,452
Salaries and wages	88,217,638	2,031,025,984	41,406,954	1,410,238,036	848,573	11,881,863	9,700,217	145,969,821	58,877	1,287,899	36,203,017	461,648,366
Interest received	65,236,518	167,640,438	36,501,774	103,372,686	421,022	1,215,562	3,791,216	5,545,885	77,155	262,571	24,445,351	57,243,734
Dividends in AGI	16,753,537	61,623,348	9,911,031	37,094,178	95,141	757,150	765,093	1,786,296	21,066	86,529	5,961,206	21,899,195
State income tax refunds	21,230,367	9,901,634	15,471,241	7,659,089	130,388	71,077	1,581,338	565,340	34,931	22,406	4,012,469	1,583,722
Alimony received	436,646	3,135,408	49,997	98,186	*4,770	*30,795	204,646	1,836,426	—	—	177,233	1,170,000
Business or profession:												
Net income	9,247,806	110,496,952	6,791,527	89,137,040	86,346	1,227,942	467,046	3,629,387	4,673	75,520	1,898,214	16,427,064
Net loss	3,112,539	20,073,189	2,318,625	15,413,204	32,813	319,352	137,117	642,784	635	33,761	623,349	3,664,088
Sales of capital assets:												
Net gain	13,240,834	136,299,485	8,476,068	105,813,807	97,162	2,021,581	596,495	3,910,692	7,695	72,890	4,063,414	24,480,515
Net loss	2,319,619	3,457,806	1,546,765	2,319,202	7,255	3,557	56,862	85,665	*5,703	*10,083	703,034	1,039,299
Sales of property other than capital assets	1,742,358	804,142	1,304,333	1,241,335	16,957	−36,971	46,805	−150,532	281	−8,134	373,982	−241,556
Pensions and annuities in AGI	14,771,235	107,696,794	9,564,719	77,988,198	88,816	594,991	689,112	3,164,334	26,725	216,223	4,401,863	25,733,048
Rent net income less loss	8,803,495	−20,203,537	6,256,120	−15,682,184	51,670	−73,044	397,984	−1,025,533	5,723	−6,426	2,091,998	−3,416,350
Royalty net income less loss	940,945	4,911,453	645,554	4,001,746	2,068	50,340	46,806	154,683	1,397	−554	245,120	705,238
Farm rental income less loss	636,055	1,937,290	365,852	1,181,510	*4,780	*−649	26,863	10,362	—	—	238,560	746,067
Partnership and S Corporation net income less loss	5,817,455	−5,859,500	4,232,512	−3,579,798	50,748	−688,006	151,907	−401,813	6,293	−81,115	1,375,995	−1,108,769
Estate or trust net income less loss	1,192,888	7,006,640	553,093	2,864,508	4,001	98,702	51,597	333,610	5,134	−7,113	579,063	3,716,933
Farm net income less loss	2,524,331	−7,284,231	2,091,581	−6,071,142	2,329	−106,177	43,051	−38,427	*1,272	*−10,453	386,098	−1,058,033
Unemployment compensation in AGI	5,106,015	6,975,196	3,592,898	5,187,588	71,515	72,244	370,587	488,402	*12,909	*29,299	1,058,106	1,197,664
Social Security benefits in AGI	3,174,904	10,648,112	2,093,657	7,523,060	49,242	112,441	82,365	231,444	*10,166	*37,329	939,474	2,743,838
Other income less loss	5,917,257	−22,560,741	4,035,026	−17,201,221	65,782	−1,242,474	372,070	−137,413	5,417	−4,862	1,438,962	−3,974,771
Total statutory adjustments	38,034,061	99,008,229	31,162,642	82,519,694	149,835	431,223	1,224,215	2,920,265	30,224	57,479	5,467,145	13,079,568
Payments to an IRA	15,535,531	37,758,393	11,051,797	29,894,247	69,227	112,460	873,796	1,509,424	17,083	34,166	3,523,628	6,208,095
Payments to a Keogh plan	773,296	6,194,617	608,414	5,297,524	7,880	41,194	22,930	121,874	*623	*1,733	133,449	732,292
Alimony paid	593,144	3,893,788	337,771	2,118,265	5,157	72,093	35,845	313,365	*3	*72	214,368	1,389,993
Deduction for a working married couple	25,647,221	26,672,241	25,647,221	26,672,241	—	—	—	—	—	—	—	—
Total itemized deductions	40,667,008	447,057,972	28,247,663	349,093,755	315,040	3,030,317	3,083,410	23,535,184	50,655	479,091	8,970,240	70,919,625
Medical and dental expense deduction	10,541,784	25,112,007	7,193,944	14,700,535	86,537	244,803	979,251	1,393,292	23,163	42,309	2,258,889	8,731,068
Taxes paid deduction	40,419,958	143,446,005	28,214,019	112,056,515	310,271	952,523	3,069,103	7,594,395	50,655	169,326	8,775,910	22,673,247
Interest paid deduction	37,261,499	196,566,331	26,980,221	159,844,317	258,217	1,135,785	2,924,013	10,666,606	46,652	206,200	7,052,396	24,713,423
Contributions deduction	36,714,257	53,815,979	26,337,573	42,677,028	263,164	422,791	2,761,266	2,187,995	50,647	37,140	7,301,607	8,491,025
Net casualty or theft loss	244,375	1,331,081	136,121	1,057,855	*894	*5,654	*19,309	*35,046	—	—	88,051	232,526
Miscellaneous deductions	33,453,767	26,786,569	23,741,028	18,757,505	249,830	268,761	2,517,824	1,657,850	50,059	24,117	6,895,026	6,078,336
Excess itemized deductions	40,169,452	313,333,998	28,244,707	245,430,207	307,318	2,460,353	3,083,410	15,889,049	50,655	293,197	8,483,362	49,261,191
Unused zero bracket amount	813,754	1,645,256	*7,920	*9,963	*21,357	*37,577	—	—	—	—	784,477	1,597,715
Contributions deduction for nonitemizers	28,041,097	13,277,865	11,186,278	7,188,592	189,198	65,012	3,016,888	1,248,608	*21,645	*12,542	13,627,088	4,763,112
Taxable income	97,358,296	1,947,024,584	45,894,440	1,319,005,047	913,589	12,769,706	9,428,313	118,322,879	72,300	1,436,525	41,049,654	495,490,426
Total tax credits	16,859,281	7,020,731	10,606,368	4,940,368	76,855	43,066	4,278,400	1,476,593	13,719	4,723	1,883,939	555,980
Child care credit	8,949,817	3,397,090	6,224,553	2,190,943	39,235	15,164	2,561,377	1,144,763	*7,070	*1,910	117,582	44,310
Credit for the elderly and disabled	430,469	85,763	113,219	25,778	—	—	*4,768	*467	—	—	312,482	59,517
Political contributions credit	4,604,646	241,671	3,052,831	182,997	33,678	1,529	379,647	14,520	3,598	52	1,134,892	42,572
Foreign tax credit	423,736	773,939	269,377	587,529	†	†	23,815	5,719	†	†	130,470	171,463
Earned income credit used to offset income tax before credits	2,507,495	327,600	762,646	67,849	—	—	1,741,893	259,650	*2,956	*101	—	—
Mortgage interest credit	4,849	1,790	*67	*28	—	—	—	—	—	—	*4,782	*1,762
General business credit	679,820	1,115,836	516,941	945,612	1,030	11,862	25,205	29,553	*501	*2,390	136,143	126,419
Income tax after credits	83,898,079	360,571,264	42,537,189	261,132,080	834,872	2,938,037	6,724,137	15,628,950	64,574	246,577	33,737,307	80,625,621
Alternative minimum tax	608,907	6,713,149	425,211	5,325,295	3,274	90,902	39,533	224,069	568	3,179	140,321	1,069,704
Total income tax	83,967,413	367,287,213	42,590,214	266,460,002	835,487	3,029,020	6,726,837	15,853,019	64,578	249,756	33,750,297	81,695,416
Total tax liability	85,803,688	381,223,547	43,749,521	277,704,528	854,689	3,184,204	6,854,963	16,252,418	67,602	256,787	34,276,913	83,825,610
Total taxpayments	95,023,937	403,872,796	45,202,552	285,594,015	891,937	2,931,498	9,800,417	22,191,145	67,605	293,871	39,061,426	92,862,268
Income tax withheld	87,988,908	315,084,604	41,656,094	221,047,693	833,061	1,647,129	9,565,093	19,939,855	63,353	214,603	35,871,307	72,235,324
Estimated tax payments	11,824,815	69,891,346	6,953,404	49,472,955	85,373	930,842	398,858	1,761,067	11,534	59,212	4,375,646	17,667,269
Overpayment refunded	75,439,727	69,522,051	33,074,202	43,844,914	549,097	360,361	9,116,454	8,218,250	40,490	57,200	32,659,484	17,041,327
Tax due at time of filing	21,459,867	53,819,242	12,262,481	41,520,431	367,433	742,550	951,231	1,518,328	29,909	31,516	7,848,813	10,006,417

*Estimate should be used with caution because of the small number of sample returns on which it is based.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Domestic and foreign dividends received				State income tax refunds	
			Number of returns	Amount	Number of returns	Amount	Total		Dividends in AGI		Number of returns	Amount
							Number of returns	Amount	Number of returns	Amount		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**103,045,170**	**2,481,681,046**	**86,217,638**	**2,031,025,984**	**65,236,518**	**167,640,438**	**20,896,217**	**63,629,467**	**16,753,537**	**61,623,348**	**21,230,367**	**9,901,634**
No adjusted gross income	957,547	−42,442,566	388,698	8,006,358	674,799	3,355,810	230,986	830,970	180,399	811,939	79,258	127,263
$1 under $5,000	15,987,613	43,190,425	13,077,312	36,418,236	6,125,829	5,383,146	1,336,691	947,653	1,085,189	859,565	223,873	65,587
$5,000 under $10,000	15,910,313	119,228,053	12,487,714	90,668,046	7,444,101	14,990,579	1,699,105	1,925,958	1,384,238	1,787,842	601,858	139,933
$10,000 under $15,000	13,706,052	170,367,883	11,404,077	136,018,235	7,172,109	14,598,684	1,710,554	2,576,172	1,446,055	2,430,015	1,059,751	280,747
$15,000 under $20,000	11,290,251	196,731,308	9,624,312	158,126,550	6,714,249	16,735,986	1,740,615	3,187,855	1,399,312	3,031,803	1,542,748	387,925
$20,000 under $25,000	9,221,431	206,549,084	8,183,563	173,430,267	6,311,555	12,914,110	1,781,981	3,657,698	1,423,203	3,492,619	2,067,280	589,775
$25,000 under $30,000	7,559,001	207,876,373	6,926,326	183,030,200	5,697,138	11,225,855	1,560,311	2,415,089	1,206,728	2,279,093	2,359,761	782,452
$30,000 under $40,000	11,489,629	398,161,168	10,724,171	355,518,309	9,468,356	18,061,853	3,083,854	4,849,463	2,364,761	4,593,782	4,943,589	1,719,841
$40,000 under $50,000	7,458,776	332,210,863	6,942,849	296,004,362	6,664,599	15,110,577	2,600,782	5,033,464	1,955,929	4,778,021	3,678,686	1,525,254
$50,000 under $75,000	6,427,825	381,831,768	5,905,138	329,768,359	6,014,714	19,762,782	3,034,717	8,255,175	2,406,515	7,910,709	3,226,215	1,805,248
$75,000 under $100,000	1,546,776	131,926,730	1,334,952	99,441,319	1,495,219	9,956,822	976,573	5,400,647	852,423	5,266,042	739,638	692,676
$100,000 under $200,000	1,115,593	146,973,805	933,217	96,828,867	1,084,975	10,819,508	821,607	6,928,591	744,640	6,811,472	534,006	836,662
$200,000 under $500,000	290,946	82,840,607	229,711	44,135,980	286,153	6,932,346	242,944	7,666,132	230,659	7,628,804	131,125	477,414
$500,000 under $1,000,000	51,558	33,670,463	35,660	11,609,850	51,054	3,249,432	45,753	2,154,205	44,328	2,146,500	29,705	205,200
$1,000,000 or more	31,859	72,565,082	19,938	12,019,047	31,668	4,542,948	29,744	7,800,395	29,158	7,795,140	12,874	265,656
Taxable returns, total	**83,967,413**	**2,440,231,669**	**73,328,741**	**1,959,553,370**	**57,618,742**	**153,711,188**	**18,997,082**	**60,664,392**	**15,266,710**	**58,808,102**	**20,390,103**	**9,466,098**
No adjusted gross income	15,388	−1,332,607	8,021	602,626	15,124	456,754	8,668	137,868	8,071	136,744	2,232	12,903
$1 under $5,000	3,748,910	15,114,553	2,999,702	12,252,940	1,832,244	1,924,525	473,027	330,062	413,290	300,862	36,652	8,438
$5,000 under $10,000	11,302,273	86,226,426	9,008,453	65,635,010	5,564,445	10,948,943	1,160,592	1,306,013	980,365	1,216,770	332,806	60,638
$10,000 under $15,000	12,871,560	160,407,271	10,776,198	128,127,960	6,742,058	13,447,769	1,586,937	2,370,928	1,338,715	2,236,112	886,884	203,093
$15,000 under $20,000	11,064,250	192,842,811	9,459,503	155,513,690	6,555,401	16,123,845	1,686,257	3,044,538	1,349,028	2,893,473	1,478,632	358,942
$20,000 under $25,000	9,139,455	204,746,149	8,126,142	172,182,146	6,254,604	12,652,860	1,759,499	3,548,168	1,402,987	3,384,093	2,054,632	581,318
$25,000 under $30,000	7,499,447	206,223,786	6,888,853	182,020,359	5,637,825	10,786,988	1,533,686	2,290,238	1,188,108	2,156,567	2,332,311	767,919
$30,000 under $40,000	11,434,253	396,226,364	10,682,873	354,690,161	9,418,938	17,699,763	3,054,656	4,696,705	2,337,649	4,443,356	4,927,738	1,705,404
$40,000 under $50,000	7,446,963	331,708,776	6,933,130	295,654,024	6,652,989	15,046,291	2,595,704	5,024,169	1,951,745	4,769,460	3,672,352	1,516,938
$50,000 under $75,000	6,414,601	381,037,449	5,895,439	329,233,241	6,001,797	19,582,502	3,025,161	8,119,606	2,398,909	7,776,027	3,220,033	1,778,570
$75,000 under $100,000	1,543,446	131,658,272	1,333,322	99,301,170	1,492,502	9,828,468	975,073	5,392,007	851,101	5,258,614	738,477	689,962
$100,000 under $200,000	1,113,163	146,680,146	932,286	96,692,130	1,082,561	10,661,069	819,881	6,874,269	743,069	6,757,419	533,808	835,826
$200,000 under $500,000	290,429	82,695,622	229,320	44,051,629	285,663	6,873,083	242,569	7,637,663	230,310	7,600,390	131,005	476,722
$500,000 under $1,000,000	51,467	33,607,921	35,598	11,593,858	50,968	3,224,205	45,676	2,129,405	44,252	2,121,711	29,685	204,960
$1,000,000 or more	31,808	72,388,730	19,901	12,002,426	31,623	4,454,124	29,696	7,761,753	29,111	7,756,504	12,856	264,466
Nontaxable returns, total	**19,077,757**	**41,449,377**	**14,888,897**	**71,472,615**	**7,617,776**	**13,929,250**	**1,899,135**	**2,965,075**	**1,486,827**	**2,815,246**	**840,264**	**435,536**

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Sales of capital assets					
			Net income		Net loss		Capital gain distributions reported on Form 1040		Sales of capital assets reported on Schedule D			
									Returns with short-term capital gain or loss			
									Total short-term gain		Total short-term loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**436,646**	**3,135,408**	**9,247,806**	**110,496,952**	**3,112,539**	**20,073,189**	**2,648,113**	**1,257,049**	**2,498,734**	**12,689,307**	**2,406,303**	**21,969,122**
No adjusted gross income	249	1,891	98,792	1,646,103	359,793	7,149,636	19,552	10,015	51,166	803,045	48,725	1,769,177
$1 under $5,000	*23,837	*57,924	860,752	2,090,161	199,386	991,131	236,567	48,272	78,030	186,900	63,618	484,316
$5,000 under $10,000	67,221	225,682	1,201,030	5,782,373	232,058	889,033	218,654	73,103	77,603	92,542	122,272	433,247
$10,000 under $15,000	73,798	358,587	895,231	5,903,309	263,458	1,095,026	289,471	109,520	102,346	193,544	129,505	1,053,727
$15,000 under $20,000	39,895	118,018	976,424	7,865,055	252,436	1,102,352	296,884	135,448	142,160	172,985	156,741	1,267,541
$20,000 under $25,000	63,687	376,194	942,604	8,274,261	216,829	825,386	261,299	84,553	161,563	411,752	161,230	1,590,559
$25,000 under $30,000	55,642	460,095	742,262	6,596,757	268,849	893,546	207,038	76,219	201,936	670,648	191,284	1,953,112
$30,000 under $40,000	71,190	912,214	1,258,581	12,691,628	512,643	1,676,838	385,689	166,903	329,387	567,822	301,840	1,219,933
$40,000 under $50,000	16,535	108,366	802,349	10,743,098	290,850	842,669	325,941	145,249	282,870	694,447	257,836	1,435,399
$50,000 under $75,000	14,995	370,766	880,461	17,866,240	320,501	1,391,226	275,726	200,966	464,409	1,258,014	403,684	3,123,984
$75,000 under $100,000	5,256	49,655	265,515	9,486,520	85,122	685,982	86,836	107,894	210,805	880,416	198,434	1,386,409
$100,000 under $200,000	3,562	59,022	247,485	14,250,345	73,475	948,188	38,390	66,705	246,311	1,753,341	237,741	3,066,279
$200,000 under $500,000	550	26,764	56,255	4,581,297	21,330	561,670	5,576	17,130	105,357	1,392,903	90,941	1,485,034
$500,000 under $1,000,000	170	5,443	15,707	1,314,967	4,668	270,601	417	10,577	24,639	677,031	23,562	612,986
$1,000,000 or more	59	4,787	4,358	1,404,839	11,141	749,906	73	4,495	20,150	2,933,916	18,890	1,087,420
Taxable returns, total	**380,979**	**2,983,536**	**7,597,465**	**101,511,608**	**2,407,895**	**11,132,302**	**2,391,147**	**1,171,035**	**2,352,571**	**11,697,370**	**2,211,669**	**18,273,255**
No adjusted gross income	**	**	1,525	117,179	4,874	432,275	—	—	4,914	184,833	4,322	171,156
$1 under $5,000	**4,768	**12,395	127,627	436,685	27,799	142,905	91,572	8,194	38,468	56,196	18,848	19,547
$5,000 under $10,000	42,240	162,927	637,709	3,022,846	138,453	283,419	153,551	44,194	57,940	78,925	73,818	155,372
$10,000 under $15,000	63,121	321,662	765,116	4,949,425	214,628	779,914	273,618	105,878	90,583	158,080	111,368	854,484
$15,000 under $20,000	**158,610	**954,298	918,024	7,212,309	232,262	873,472	294,227	135,383	135,433	144,979	143,028	644,051
$20,000 under $25,000	**	**	918,273	7,809,126	215,344	792,408	255,919	83,392	157,988	406,735	157,606	1,587,853
$25,000 under $30,000	**	**	731,324	6,461,933	262,346	835,654	207,038	76,219	194,822	665,562	183,718	1,811,412
$30,000 under $40,000	71,190	912,214	1,235,526	12,186,712	509,072	1,650,101	382,325	164,845	324,879	539,250	297,016	1,147,010
$40,000 under $50,000	16,535	108,366	796,222	10,547,794	290,330	819,550	325,890	145,189	280,676	663,476	254,896	1,422,079
$50,000 under $75,000	14,987	370,535	878,901	17,824,400	318,418	1,360,726	275,726	200,966	462,273	1,231,729	399,530	2,972,437
$75,000 under $100,000	*5,197	*47,565	263,958	9,440,704	84,729	665,634	86,836	107,894	208,832	865,193	197,792	1,381,843
$100,000 under $200,000	**4,102	**83,343	247,063	14,216,662	72,633	936,692	38,387	66,705	245,878	1,743,888	236,611	3,014,186
$200,000 under $500,000	**	**	56,160	4,573,229	21,232	551,221	**5,985	**27,682	105,162	1,372,941	90,744	1,441,857
$500,000 under $1,000,000	170	5,443	15,687	1,310,347	4,647	267,158	**	**	24,598	662,612	23,516	596,079
$1,000,000 or more	59	4,787	4,350	1,402,258	11,128	741,173	73	4,495	20,125	2,922,971	18,856	1,053,888
Nontaxable returns, total	**55,667**	**151,872**	**1,650,341**	**8,985,344**	**704,644**	**8,940,887**	**256,966**	**86,014**	**146,163**	**991,937**	**194,634**	**3,695,867**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets—Continued											
	Sales of capital assets reported on Schedule D—Continued											
	Returns with short-term capital gain or loss—Continued				Returns with long-term capital gain or loss							
	Net short-term gain		Net short-term loss		Total long-term gain		Total long-term loss		Net long-term gain		Net long-term loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**1,936,953**	**8,338,213**	**1,868,442**	**17,618,028**	**11,136,698**	**335,931,721**	**3,812,841**	**33,868,157**	**10,345,855**	**321,185,372**	**1,742,646**	**19,121,809**
No adjusted gross income	35,784	478,142	32,193	1,444,274	267,730	17,023,625	101,397	4,693,691	242,313	15,295,290	56,536	2,965,356
$1 under $5,000	74,451	122,611	43,820	420,026	629,200	2,421,782	166,037	516,967	591,062	2,219,063	114,268	314,248
$5,000 under $10,000	66,189	84,595	114,543	425,299	715,166	2,828,385	180,069	1,077,864	666,437	2,725,547	108,937	975,027
$10,000 under $15,000	87,500	116,865	106,536	977,047	768,071	3,966,981	238,387	1,086,707	706,151	3,735,008	141,959	854,734
$15,000 under $20,000	113,789	112,924	126,558	1,207,479	947,929	6,061,112	248,000	2,780,078	896,046	5,310,364	117,252	2,029,330
$20,000 under $25,000	119,644	289,900	133,765	1,468,706	819,294	5,679,224	296,764	1,716,980	756,482	5,239,622	135,739	1,277,379
$25,000 under $30,000	151,807	231,363	146,896	1,513,828	832,370	6,128,183	267,272	2,370,534	758,131	5,525,737	151,482	1,768,088
$30,000 under $40,000	272,905	409,804	237,921	1,061,916	1,435,345	12,[illegible]9,753	470,588	1,845,928	1,339,530	12,218,794	226,222	1,224,969
$40,000 under $50,000	224,116	462,686	208,253	1,203,638	1,245,757	13,053,207	482,460	3,767,938	1,150,112	12,168,510	231,412	2,883,241
$50,000 under $75,000	368,541	740,153	312,819	2,606,123	1,753,071	26,898,370	628,434	3,555,220	1,637,458	25,375,867	262,977	2,032,717
$75,000 under $100,000	161,073	572,784	153,476	1,078,777	711,239	21,434,721	280,717	1,850,625	660,921	20,430,087	94,198	845,992
$100,000 under $200,000	166,211	943,008	185,841	2,255,945	699,087	45,434,600	303,234	3,071,828	651,302	43,430,848	80,595	1,068,076
$200,000 under $500,000	66,635	928,996	60,925	1,021,127	234,853	44,720,753	110,346	2,965,249	214,620	42,269,166	18,009	513,661
$500,000 under $1,000,000	11,761	454,527	18,482	390,482	47,021	27,326,128	26,552	880,051	45,462	26,600,678	2,205	154,601
$1,000,000 or more	16,547	2,389,855	6,414	543,359	30,565	100,114,897	12,284	1,688,495	29,828	98,640,791	855	214,389
Taxable returns, total	**1,826,804**	**7,785,049**	**1,728,428**	**14,360,934**	**10,019,377**	**319,240,161**	**3,428,012**	**27,115,292**	**9,333,702**	**306,602,628**	**1,484,247**	**14,477,739**
No adjusted gross income	2,900	137,138	3,291	123,462	15,100	5,871,289	4,933	465,662	14,641	5,484,501	236	78,874
$1 under $5,000	38,466	44,822	*9,255	*8,172	240,669	749,757	32,858	47,596	240,618	745,378	*13,724	*43,217
$5,000 under $10,000	53,169	72,764	66,092	149,210	450,523	1,763,020	96,503	206,456	418,962	1,725,273	56,950	168,710
$10,000 under $15,000	77,674	90,140	88,841	786,544	702,591	3,527,893	209,987	761,368	654,296	3,348,027	117,339	581,502
$15,000 under $20,000	108,885	107,634	114,665	606,707	875,006	5,164,947	236,827	2,673,929	826,171	4,482,781	109,011	1,991,762
$20,000 under $25,000	116,906	286,648	132,873	1,467,767	804,941	5,484,515	292,195	1,664,399	743,393	5,091,536	132,652	1,271,421
$25,000 under $30,000	150,357	231,084	139,331	1,376,934	802,279	5,702,651	251,933	2,231,550	731,336	5,199,019	143,371	1,727,918
$30,000 under $40,000	269,084	399,221	233,369	1,006,981	1,422,462	12,661,656	468,360	1,789,041	1,326,920	12,085,454	225,334	1,212,839
$40,000 under $50,000	221,933	434,394	207,247	1,192,997	1,242,438	13,030,884	480,943	3,732,261	1,147,016	12,149,941	230,171	2,851,319
$50,000 under $75,000	367,309	727,882	309,887	2,468,590	1,745,539	26,719,552	623,164	3,467,464	1,632,071	25,230,650	260,765	1,978,563
$75,000 under $100,000	159,103	559,857	153,214	1,076,506	708,536	21,297,202	279,193	1,733,809	658,686	20,341,656	93,729	778,263
$100,000 under $200,000	165,929	939,193	184,733	2,209,491	697,310	45,321,523	302,240	2,979,833	650,041	43,348,172	80,019	1,006,482
$200,000 under $500,000	66,519	919,836	60,782	988,753	234,501	44,644,247	110,117	2,898,453	214,338	42,223,862	17,917	478,068
$500,000 under $1,000,000	11,735	447,280	18,455	380,747	46,951	27,282,621	26,502	817,086	45,406	26,571,220	2,186	105,684
$1,000,000 or more	16,535	2,387,155	6,393	518,072	30,531	100,018,425	12,257	1,646,384	29,807	98,575,158	843	205,117
Nontaxable returns, total	**110,449**	**553,164**	**160,014**	**3,257,094**	**1,117,321**	**16,691,540**	**384,829**	**6,752,865**	**1,012,153**	**14,582,744**	**258,399**	**4,644,070**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets—Continued										Sales of property other than capital assets			
	Sales of capital assets reported on Schedule D—Continued						Net capital gain		Net capital loss		Net gain		Net loss	
	Net long-term capital gain in excess of net short-term capital loss													
	Total		Excluded portion		Amount included in AGI									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	**10,086,629**	**315,680,883**	**10,082,065**	**189,404,818**	**10,089,270**	**126,266,375**	**10,596,337**	**135,043,243**	**2,320,472**	**3,458,614**	**994,509**	**5,259,909**	**747,849**	**4,455,767**
No adjusted gross income	236,260	14,548,735	236,205	8,729,158	236,204	5,819,403	248,656	6,342,691	—	—	77,895	730,501	89,753	1,985,754
$1 under $5,000	582,767	2,193,971	582,767	1,316,149	582,767	877,375	597,683	965,295	73,224	88,999	48,496	88,938	43,457	390,842
$5,000 under $10,000	647,282	2,676,378	647,282	1,605,588	647,282	1,070,292	670,450	1,153,707	167,113	226,742	72,826	148,189	51,736	187,355
$10,000 under $15,000	707,705	3,645,807	702,937	2,187,219	702,937	1,458,019	726,303	1,543,358	162,401	279,002	84,026	240,991	44,689	105,571
$15,000 under $20,000	861,549	4,975,555	856,782	2,984,959	861,549	1,989,874	905,561	2,119,205	183,332	279,463	96,586	243,173	47,531	180,109
$20,000 under $25,000	744,793	5,103,547	744,793	3,061,857	744,793	2,041,101	793,032	2,325,001	203,153	284,215	51,832	194,497	44,849	134,720
$25,000 under $30,000	733,473	5,384,466	733,473	3,230,427	729,832	2,153,493	767,514	2,393,483	212,512	298,527	75,242	262,661	42,667	97,254
$30,000 under $40,000	1,291,201	12,019,504	1,294,565	7,211,232	1,290,588	4,807,282	1,388,572	5,200,011	345,051	504,359	109,272	412,330	88,589	230,566
$40,000 under $50,000	1,127,110	11,981,796	1,129,638	7,188,679	1,121,697	4,792,302	1,199,472	5,249,995	317,358	422,157	89,463	474,319	79,386	174,370
$50,000 under $75,000	1,592,237	24,371,745	1,591,199	14,622,476	1,591,199	9,748,078	1,668,886	10,428,166	375,142	558,375	122,453	616,653	76,554	235,766
$75,000 under $100,000	646,781	20,056,681	647,394	12,033,763	645,743	8,022,424	677,016	8,544,703	128,080	224,330	50,191	350,811	54,496	159,047
$100,000 under $200,000	631,719	42,507,326	631,277	25,504,203	631,037	17,002,688	655,317	17,945,899	123,040	225,870	68,917	738,363	55,375	241,869
$200,000 under $500,000	209,466	41,675,615	209,471	25,005,290	209,362	16,670,167	222,570	17,940,202	25,961	56,668	30,483	334,187	20,674	159,251
$500,000 under $1,000,000	44,709	26,343,487	44,710	15,806,071	44,708	10,537,379	45,418	11,030,846	3,021	7,146	13,184	160,158	4,637	71,235
$1,000,000 or more	29,577	98,196,270	29,572	58,917,747	29,572	39,278,498	29,887	41,860,682	1,084	2,759	3,631	259,139	3,456	102,059
Taxable returns, total	**9,107,636**	**302,172,129**	**9,103,127**	**181,299,954**	**9,090,333**	**120,865,258**	**9,587,516**	**129,110,054**	**2,146,749**	**3,208,563**	**804,056**	**4,171,615**	**574,322**	**1,857,441**
No adjusted gross income	14,639	5,365,390	14,639	3,219,227	14,639	2,146,150	14,935	2,309,958	—	—	6,336	87,986	1,026	42,810
$1 under $5,000	240,567	744,769	240,567	446,785	240,567	297,811	245,335	342,816	*13,724	*12,731	3,484	13,586	*6,638	*103,507
$5,000 under $10,000	407,607	1,699,399	407,607	1,019,484	407,607	679,617	430,775	750,995	88,520	125,432	39,974	47,872	*22,278	*42,550
$10,000 under $15,000	656,109	3,259,467	651,341	1,955,436	651,341	1,303,499	674,706	1,370,579	142,792	232,881	69,495	219,182	34,589	52,746
$15,000 under $20,000	799,677	4,383,007	794,910	2,629,458	799,677	1,752,878	843,076	1,867,281	179,551	277,421	83,098	114,731	44,439	104,025
$20,000 under $25,000	731,704	4,955,491	731,704	2,973,027	731,704	1,981,886	778,730	2,263,471	201,332	282,377	50,139	170,282	42,707	124,949
$25,000 under $30,000	706,679	5,083,216	706,679	3,049,690	703,038	2,033,004	739,884	2,272,952	210,861	296,143	69,109	234,344	42,012	82,649
$30,000 under $40,000	1,279,876	11,905,792	1,283,240	7,143,008	1,279,263	4,761,801	1,375,426	5,143,997	340,770	495,024	104,617	372,350	87,662	197,693
$40,000 under $50,000	1,124,080	11,963,951	1,125,608	7,177,974	1,118,667	4,785,166	1,194,323	5,216,367	315,541	416,791	89,463	474,319	79,152	157,642
$50,000 under $75,000	1,587,795	24,293,583	1,586,757	14,575,580	1,586,757	9,716,816	1,663,550	10,388,990	373,108	554,806	122,239	611,910	75,529	227,263
$75,000 under $100,000	644,749	19,969,361	645,362	11,981,371	643,711	7,987,497	674,932	8,500,494	127,870	223,700	50,060	348,202	54,365	156,489
$100,000 under $200,000	630,716	42,448,356	630,274	25,468,821	630,034	16,979,101	654,311	17,918,579	122,671	224,828	68,817	728,586	55,240	238,681
$200,000 under $500,000	209,216	41,642,103	209,221	24,985,182	209,112	16,656,762	222,304	17,914,530	25,911	56,542	30,420	331,658	20,614	157,044
$500,000 under $1,000,000	44,661	26,317,454	44,662	15,790,452	44,660	10,526,966	45,362	11,013,412	3,017	7,134	13,182	158,481	4,621	69,031
$1,000,000 or more	29,561	98,140,783	29,556	58,884,459	29,556	39,256,305	29,867	41,835,633	1,081	2,753	3,623	258,125	3,450	100,362
Nontaxable returns, total	**978,993**	**13,508,754**	**978,938**	**8,104,864**	**978,937**	**5,403,117**	**1,008,821**	**5,933,189**	**173,723**	**250,051**	**190,453**	**1,088,294**	**173,527**	**2,598,327**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Pensions and annuities										
	Total		In adjusted gross income		Fully included in AGI		Partially included in AGI			Not included in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount received	Amount included in AGI	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)
All returns, total	**15,856,719**	**141,575,750**	**14,771,235**	**107,696,794**	**13,552,475**	**98,978,963**	**3,385,373**	**42,596,787**	**8,717,832**	**3,385,373**	**33,878,956**
No adjusted gross income	87,738	769,242	77,453	608,539	73,773	565,730	15,033	203,512	42,809	15,033	160,703
$1 under $5,000	864,750	2,894,643	794,455	1,820,804	725,424	1,698,569	163,164	1,196,074	122,234	163,164	1,073,839
$5,000 under $10,000	2,298,164	9,954,448	2,249,610	8,771,872	2,099,345	8,219,382	303,037	1,735,066	552,490	303,037	1,182,576
$10,000 under $15,000	2,329,513	15,701,830	2,267,268	14,031,056	2,153,206	13,291,245	308,298	2,410,585	739,811	308,298	1,670,775
$15,000 under $20,000	1,886,129	15,583,665	1,818,706	12,909,182	1,728,338	12,431,118	269,375	3,152,548	478,064	269,375	2,674,484
$20,000 under $25,000	1,551,838	13,481,442	1,463,432	11,975,023	1,367,330	11,337,869	290,862	2,143,574	637,154	290,862	1,506,419
$25,000 under $30,000	1,183,955	10,587,556	1,096,891	8,807,579	1,014,833	8,168,489	255,142	2,419,067	639,090	255,142	1,779,977
$30,000 under $40,000	1,931,890	17,680,745	1,763,495	13,982,513	1,570,762	12,544,195	525,615	5,136,550	1,438,317	525,615	3,698,233
$40,000 under $50,000	1,524,329	18,152,476	1,351,020	12,587,010	1,168,112	11,089,554	495,708	7,062,922	1,497,456	495,708	5,565,466
$50,000 under $75,000	1,478,568	18,800,753	1,287,323	13,314,063	1,132,937	11,836,752	484,757	6,964,001	1,477,311	484,757	5,486,690
$75,000 under $100,000	374,063	7,160,430	321,708	4,140,057	276,811	3,533,242	140,521	3,627,188	606,815	140,521	3,020,373
$100,000 under $200,000	275,558	6,969,392	225,457	3,451,231	193,625	3,102,824	105,675	3,866,568	348,408	105,675	3,518,160
$200,000 under $500,000	56,140	2,772,797	43,764	886,003	38,668	792,321	22,476	1,980,476	93,682	22,476	1,886,794
$500,000 under $1,000,000	9,152	511,709	6,904	189,253	6,065	162,601	3,691	349,108	26,653	3,691	322,456
$1,000,000 or more	4,932	554,622	3,749	222,611	3,246	205,072	2,019	349,550	17,539	2,019	332,010
Taxable returns, total	**14,013,132**	**132,754,325**	**13,057,956**	**101,169,714**	**11,979,028**	**93,033,934**	**3,031,269**	**39,720,391**	**8,135,780**	**3,031,269**	**31,584,611**
No adjusted gross income	2,177	51,784	2,139	35,946	1,282	34,535	955	17,249	1,411	955	15,838
$1 under $5,000	107,502	329,328	107,502	315,992	93,199	285,636	*14,303	*43,692	*30,356	*14,303	*13,336
$5,000 under $10,000	1,508,740	6,195,082	1,488,525	5,756,877	1,408,268	5,523,433	162,450	671,650	233,444	162,450	438,205
$10,000 under $15,000	2,181,404	14,753,105	2,128,434	13,177,623	2,022,708	12,501,775	281,152	2,251,330	675,848	281,152	1,575,482
$15,000 under $20,000	1,859,011	15,260,875	1,799,513	12,782,039	1,709,145	12,303,975	261,450	2,956,900	478,064	261,450	2,478,836
$20,000 under $25,000	1,542,543	13,319,991	1,455,957	11,819,396	1,361,068	11,223,413	287,829	2,096,478	595,983	287,829	1,500,496
$25,000 under $30,000	1,177,023	10,533,892	1,091,035	8,765,965	1,008,977	8,126,997	250,702	2,406,895	638,968	250,702	1,767,927
$30,000 under $40,000	1,918,881	17,480,427	1,750,726	13,795,021	1,557,993	12,360,811	521,399	5,119,616	1,434,210	521,399	3,685,406
$40,000 under $50,000	1,520,214	18,115,293	1,347,106	12,554,058	1,166,853	11,062,595	492,852	7,052,698	1,491,463	492,852	5,561,235
$50,000 under $75,000	1,476,841	18,793,406	1,286,470	13,309,725	1,132,084	11,832,414	**624,403	**10,588,169	**2,084,124	**624,403	**8,504,046
$75,000 under $100,000	373,447	7,152,298	321,092	4,131,932	276,196	3,525,120	**	**	**	**	**
$100,000 under $200,000	275,229	6,938,138	225,128	3,433,560	193,355	3,099,277	105,616	3,838,862	334,283	105,616	3,504,578
$200,000 under $500,000	56,061	2,765,995	43,698	880,383	38,609	786,933	22,453	1,979,062	93,450	22,453	1,885,612
$500,000 under $1,000,000	9,139	510,739	6,894	189,135	6,056	162,485	**5,705	**697,790	**44,176	**5,705	**653,614
$1,000,000 or more	4,920	554,073	3,737	222,062	3,235	204,536	**	**	**	**	**
Nontaxable returns, total	**1,843,587**	**8,821,425**	**1,713,279**	**6,527,080**	**1,573,447**	**5,945,029**	**354,104**	**2,876,396**	**582,051**	**354,104**	**2,294,345**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent				Royalty				Farm rental			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)
All returns, total	**3,418,181**	**17,663,393**	**5,385,314**	**37,886,929**	**876,083**	**5,166,087**	**64,862**	**254,634**	**499,851**	**2,322,400**	**136,204**	**385,110**
No adjusted gross income	79,032	564,687	186,506	4,752,643	19,759	193,659	839	34,190	9,052	83,906	2,265	36,404
$1 under $5,000	222,478	290,025	171,351	648,472	31,686	11,388	*14,303	*49,232	*33,375	*93,333	*50	*1,535
$5,000 under $10,000	456,601	1,016,620	297,828	1,521,826	113,575	210,921	*55	*1,886	85,452	213,349	*22,026	*24,447
$10,000 under $15,000	353,581	999,569	360,674	1,373,717	88,342	191,590	*5,844	*11,166	85,600	230,867	40,426	59,030
$15,000 under $20,000	337,935	1,111,994	420,644	1,662,156	94,228	186,854	*8	*90	58,357	206,326	*14,607	*71,941
$20,000 under $25,000	298,546	962,078	473,967	2,596,047	90,467	168,304	*3,641	*6,553	44,762	261,367	*2,956	*5,045
$25,000 under $30,000	250,444	727,907	536,337	2,535,200	62,998	147,253	*4,590	*551	38,138	282,903	*1,820	*186
$30,000 under $40,000	404,229	1,022,512	760,156	3,786,537	91,124	260,977	*9,375	*21,202	66,055	332,383	*13,921	*26,043
$40,000 under $50,000	259,928	1,268,466	664,103	3,660,696	62,500	136,815	*2,064	*20,489	*15,792	*48,945	16,767	46,399
$50,000 under $75,000	400,717	2,435,353	809,835	5,354,348	107,462	434,769	8,523	31,123	35,781	188,868	12,149	38,397
$75,000 under $100,000	143,799	1,943,248	303,587	2,840,897	46,603	255,301	6,919	19,877	14,359	126,291	5,302	28,649
$100,000 under $200,000	137,056	2,248,727	288,021	3,660,680	36,852	437,016	6,098	21,229	9,349	132,568	2,568	20,283
$200,000 under $500,000	50,797	1,602,301	83,782	1,807,925	16,721	479,989	1,764	21,680	3,342	114,566	981	13,422
$500,000 under $1,000,000	17,482	943,487	13,273	468,629	11,507	1,783,302	477	7,812	310	4,769	233	9,332
$1,000,000 or more	5,556	546,421	15,250	1,217,157	2,259	267,947	362	7,552	127	1,958	133	3,998
Taxable returns, total	**2,856,060**	**15,950,914**	**4,810,012**	**30,622,332**	**749,945**	**4,748,362**	**48,986**	**190,469**	**408,408**	**2,027,294**	**116,574**	**333,947**
No adjusted gross income	3,446	57,495	5,115	356,299	3,176	16,150	201	15,872	*464	*7,077	*12	*131
$1 under $5,000	31,232	53,870	13,550	64,677	*4,835	*1,083	*4,768	*12,626	*4,768	*3,252	—	—
$5,000 under $10,000	263,539	501,729	180,555	784,163	59,942	153,084	—	—	*45,025	*115,364	*9,535	*15,179
$10,000 under $15,000	296,439	780,751	317,142	1,018,571	77,549	110,012	**4,476	**11,111	71,830	201,819	**53,220	**133,852
$15,000 under $20,000	319,352	1,075,055	392,960	1,370,372	91,214	163,341	—	—	58,357	206,326	**	**
$20,000 under $25,000	293,265	929,666	456,234	2,322,815	87,822	142,714	**	**	44,762	261,367	**	**
$25,000 under $30,000	246,729	698,451	523,233	2,276,877	55,783	124,332	**15,415	**42,212	38,138	282,903	*1,820	*186
$30,000 under $40,000	394,414	955,547	750,735	3,650,553	86,864	255,104	**	**	66,055	332,383	*13,863	*25,985
$40,000 under $50,000	257,004	1,229,629	662,010	3,588,039	62,448	136,713	**	**	**78,572	**610,076	16,767	46,399
$50,000 under $75,000	397,722	2,418,967	807,036	5,287,745	106,624	434,193	8,523	31,123	**	**	12,149	38,397
$75,000 under $100,000	142,902	1,937,045	302,674	2,811,599	46,491	249,482	6,911	19,792	**	**	5,302	28,649
$100,000 under $200,000	136,315	2,235,857	286,718	3,615,784	36,792	437,009	6,098	21,229	**	**	**3,540	**31,839
$200,000 under $500,000	50,705	1,598,198	83,575	1,793,864	16,666	476,912	**2,594	**36,503	**	**	**	**
$500,000 under $1,000,000	17,454	938,323	13,242	466,422	11,489	1,780,432	**	**	310	4,769	233	9,332
$1,000,000 or more	5,542	540,330	15,233	1,214,550	2,250	267,803	**	**	127	1,958	133	3,998
Nontaxable returns, total	**562,121**	**1,732,479**	**575,302**	**7,264,598**	**126,138**	**417,725**	**15,876**	**64,164**	**91,443**	**295,106**	**19,630**	**51,163**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Partnership				Small Business Corporation				Partnership and S Corporation			
	Total income		Total loss		Total income		Total loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)
All returns, total	**2,934,133**	**48,156,994**	**3,447,092**	**61,152,669**	**608,645**	**20,926,698**	**573,293**	**13,177,579**	**2,526,289**	**52,403,561**	**3,291,166**	**58,263,061**
No adjusted gross income	75,914	2,649,096	177,324	17,599,109	15,021	918,520	68,841	5,152,256	32,222	627,563	209,525	19,839,269
$1 under $5,000	161,669	429,627	120,056	922,162	16,498	49,752	24,992	330,470	148,845	362,316	124,118	1,153,271
$5,000 under $10,000	130,069	744,074	89,474	597,284	58,901	260,244	44,859	541,474	169,671	794,544	120,094	943,187
$10,000 under $15,000	148,969	724,551	124,412	912,605	9,618	39,838	26,069	327,101	122,710	647,356	140,097	1,139,372
$15,000 under $20,000	149,627	1,107,793	197,313	962,639	29,257	101,176	35,744	340,597	149,598	1,023,339	222,525	1,178,334
$20,000 under $25,000	195,042	1,422,936	176,653	1,068,856	38,213	392,533	28,237	342,650	192,293	1,575,840	185,703	1,208,123
$25,000 under $30,000	184,892	1,210,677	207,012	1,184,435	29,563	220,219	23 741	278,991	167,871	1,239,254	204,271	1,300,350
$30,000 under $40,000	279,182	2,229,127	391,789	2,113,479	88,601	897,189	54,681	358,761	285,942	2,737,349	384,746	2,150,290
$40,000 under $50,000	322,884	2,399,700	374,399	2,439,718	52,739	763,418	56,950	480,677	295,836	2,725,393	357,507	2,528,038
$50,000 under $75,000	470,195	5,625,033	628,023	4,632,158	86,599	1,472,791	69,350	702,350	383,011	5,762,947	561,622	4,095,661
$75,000 under $100,000	270,683	4,683,713	320,341	4,337,504	57,981	1,290,905	45,752	554,047	203,252	4,890,823	282,078	3,861,015
$100,000 under $200,000	353,312	9,597,780	412,204	8,315,237	65,654	2,393,765	52,466	1,110,103	258,165	9,636,525	334,419	7,147,042
$200,000 under $500,000	136,927	6,974,367	167,446	7,200,821	34,457	2,797,084	27,141	933,137	82,017	7,231,998	127,003	5,628,903
$500,000 under $1,000,000	32,026	3,247,203	35,644	2,941,302	17,763	2,201,491	8,026	546,073	24,642	4,029,437	18,743	2,100,816
$1,000,000 or more	22,740	5,111,315	25,002	5,925,360	7,780	7,129,772	6,444	1,178,892	10,212	9,118,897	18,715	3,989,409
Taxable returns, total	**2,616,568**	**43,700,898**	**3,043,969**	**43,060,399**	**532,324**	**19,705,617**	**432,320**	**7,093,749**	**2,251,335**	**49,995,188**	**2,839,732**	**37,281,438**
No adjusted gross income	6,418	398,741	8,258	2,719,726	2,023	169,276	4,961	645,887	893	76,656	10,864	2,876,200
$1 under $5,000	44,992	47,837	13,435	104,081	*72	*3,627	6,705	53,382	38,347	44,848	16,650	151,346
$5,000 under $10,000	88,763	411,653	53,225	271,424	36,340	169,924	*19,081	*78,684	120,033	519,044	64,559	291,476
$10,000 under $15,000	119,428	552,812	96,252	599,735	*7,787	*18,411	11,095	79,513	94,065	515,557	106,620	627,970
$15,000 under $20,000	127,189	708,250	173,187	590,040	27,103	59,760	29,910	255,691	128,075	706,778	204,471	839,259
$20,000 under $25,000	182,078	1,136,635	166,539	857,849	32,215	342,591	25,506	254,139	181,096	1,292,280	175,139	960,040
$25,000 under $30,000	179,124	1,075,316	196,037	910,032	22,923	131,494	19,684	158,605	159,996	1,075,176	194,057	964,905
$30,000 under $40,000	268,888	2,006,487	383,027	1,813,093	84,910	885,816	53,853	299,298	277,020	2,564,750	376,089	1,851,665
$40,000 under $50,000	318,940	2,352,029	370,944	2,296,871	51,824	753,740	54,905	447,268	293,786	2,699,076	353,216	2,382,699
$50,000 under $75,000	467,103	5,493,655	624,718	4,453,722	84,278	1,405,668	67,640	609,299	380,817	5,659,155	559,290	3,916,768
$75,000 under $100,000	269,411	4,672,664	319,147	4,263,331	57,660	1,281,356	45,255	509,094	202,614	4,883,780	280,909	3,755,441
$100,000 under $200,000	352,871	9,587,360	411,509	8,214,888	65,289	2,372,898	52,295	1,087,613	257,885	9,625,112	333,725	7,044,025
$200,000 under $500,000	136,680	6,944,199	167,143	7,143,389	34,382	2,783,718	27,017	909,306	81,889	7,216,842	126,765	5,575,902
$500,000 under $1,000,000	31,981	3,230,181	35,583	2,915,940	17,746	2,199,592	7,985	533,873	24,624	4,020,017	18,687	2,072,738
$1,000,000 or more	22,702	5,083,080	24,965	5,906,280	7,772	7,127,747	6,428	1,172,095	10,193	9,096,118	18,691	3,971,004
Nontaxable returns, total	**317,565**	**4,456,096**	**403,123**	**18,092,270**	**76,321**	**1,223,081**	**140,973**	**6,083,830**	**274,954**	**2,408,393**	**451,434**	**20,981,642**

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Estate or trust								Farm			
	Total income		Total loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)
All returns, total	**1,123,775**	**7,879,262**	**123,417**	**872,622**	**1,109,895**	**7,693,773**	**82,993**	**687,132**	**819,679**	**8,786,579**	**1,704,652**	**16,070,810**
No adjusted gross income	15,892	282,040	5,398	248,033	12,269	213,219	4,726	179,212	44,982	573,365	227,006	5,122,771
$1 under $5,000	130,565	319,489	*4,883	*15,700	130,451	318,903	*4,883	*15,114	95,989	479,930	140,191	946,529
$5,000 under $10,000	73,952	273,157	*2,656	*40,139	72,132	270,127	*2,656	*37,109	90,991	483,033	205,091	1,209,509
$10,000 under $15,000	102,495	445,067	*2,342	*10,236	102,495	444,420	*2,285	*9,590	75,422	324,409	140,844	928,772
$15,000 under $20,000	80,501	402,438	*3	*27	80,501	402,438	*3	*27	116,998	907,461	182,178	1,135,010
$20,000 under $25,000	61,894	233,129	*8,747	*64,525	61,894	233,129	*8,747	*64,525	63,987	453,404	161,978	801,571
$25,000 under $30,000	87,788	480,350	*11,219	*8,317	87,788	479,733	*9,399	*7,700	86,689	1,089,923	139,145	962,646
$30,000 under $40,000	103,641	504,747	14,021	45,212	103,641	503,520	*10,658	*43,984	110,794	1,442,806	191,149	1,257,659
$40,000 under $50,000	92,311	548,520	9,519	38,552	90,639	529,641	7,789	19,672	46,524	758,018	114,461	591,354
$50,000 under $75,000	143,776	853,791	16,087	39,286	141,434	843,146	12,080	28,641	52,368	1,048,410	105,201	811,243
$75,000 under $100,000	80,362	619,192	13,726	36,641	80,070	611,327	4,768	28,776	17,369	428,077	39,846	417,742
$100,000 under $200,000	91,120	1,157,514	19,155	111,463	87,823	1,124,141	9,317	78,091	12,208	436,096	31,819	675,024
$200,000 under $500,000	41,663	679,016	13,539	113,516	41,264	654,475	4,095	88,976	4,278	261,772	13,004	597,589
$500,000 under $1,000,000	13,928	388,168	1,234	42,728	13,729	378,698	923	33,257	700	44,743	10,861	292,458
$1,000,000 or more	3,887	692,644	888	58,246	3,765	686,856	664	52,458	380	55,130	1,878	320,935
Taxable returns, total	**1,010,999**	**7,103,410**	**109,755**	**597,337**	**1,002,566**	**6,986,680**	**70,209**	**482,607**	**569,257**	**6,528,826**	**1,171,485**	**8,892,033**
No adjusted gross income	1,452	27,849	332	21,804	1,396	25,591	240	19,546	473	6,153	3,266	301,796
$1 under $5,000	95,415	183,715	*58	*397	95,358	183,590	*58	*272	*6,885	*32,249	*7,166	*105,194
$5,000 under $10,000	*42,909	*160,545	*836	*36,292	*42,909	*160,545	*836	*36,292	*48,194	*132,266	84,744	454,237
$10,000 under $15,000	85,404	323,329	**10,197	**66,803	85,404	323,329	**10,197	**66,803	*44,653	*100,793	108,746	646,088
$15,000 under $20,000	74,637	389,023	**	**	74,637	389,023	**	**	98,584	672,772	177,860	971,483
$20,000 under $25,000	61,891	233,043	**	**	61,891	233,043	**	**	57,101	426,398	156,505	661,634
$25,000 under $30,000	81,056	381,709	*11,211	*7,867	81,056	381,092	*9,391	*7,250	81,338	901,897	127,248	892,120
$30,000 under $40,000	103,439	501,818	*13,560	*33,244	103,439	500,591	*10,197	*32,017	100,645	1,276,137	189,799	1,213,544
$40,000 under $50,000	92,109	528,903	9,468	38,420	90,437	510,024	7,738	19,541	45,302	707,795	114,193	589,960
$50,000 under $75,000	142,664	852,496	16,087	39,286	140,322	841,851	12,080	28,641	51,155	1,046,712	105,025	790,583
$75,000 under $100,000	79,739	613,795	13,456	30,515	79,447	605,930	4,498	22,650	17,369	428,077	39,671	408,404
$100,000 under $200,000	90,877	1,156,553	18,907	111,197	87,580	1,123,225	9,309	77,869	12,208	436,096	31,586	656,903
$200,000 under $500,000	41,610	676,740	13,531	113,005	41,212	652,201	4,087	88,466	**5,350	**361,480	12,956	592,222
$500,000 under $1,000,000	13,916	386,652	1,228	40,738	13,718	377,194	918	31,281	**	**	10,849	289,332
$1,000,000 or more	3,881	687,239	884	57,769	3,760	681,450	660	51,980	**	**	1,871	318,534
Nontaxable returns, total	**112,776**	**775,852**	**13,662**	**275,285**	**107,329**	**705,093**	**12,784**	**204,526**	**250,422**	**2,257,753**	**533,167**	**7,178,777**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation				Social Security benefits				Other income			
	Total		In adjusted gross income		Total		Benefits in AGI		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)
All returns, total	**8,242,788**	**14,135,053**	**5,106,015**	**6,975,196**	**9,167,286**	**70,864,596**	**3,174,904**	**10,648,112**	**5,194,946**	**12,987,297**	**722,311**	**35,548,038**
No adjusted gross income	48,582	103,342	—	—	123,369	820,011	**286	**1,507	48,856	346,526	268,483	27,155,945
$1 under $5,000	866,626	1,914,092	—	—	837,519	5,414,293	**	**	342,310	459,829	91,427	1,625,383
$5,000 under $10,000	1,378,148	2,512,947	73,178	48,336	1,881,428	13,278,566	*9,535	*14,275	577,771	954,592	67,213	1,594,014
$10,000 under $15,000	1,221,428	2,068,621	464,709	366,550	1,418,253	10,753,480	*5,015	*10,132	431,635	477,761	29,502	382,921
$15,000 under $20,000	997,526	1,657,379	841,014	920,567	1,014,827	7,872,157	*17,316	*42,407	529,359	895,871	39,362	315,655
$20,000 under $25,000	923,929	1,551,250	920,565	1,339,572	703,824	5,601,538	140,273	138,411	569,756	968,468	20,849	398,745
$25,000 under $30,000	763,733	1,215,515	763,733	1,195,899	567,695	4,970,382	422,000	635,380	314,076	407,397	34,579	602,448
$30,000 under $40,000	1,089,731	1,684,684	1,089,731	1,677,058	956,373	7,283,706	934,978	2,494,534	699,625	1,054,167	31,579	402,879
$40,000 under $50,000	575,586	866,862	575,586	866,858	666,195	5,186,684	648,540	2,471,860	596,525	1,423,542	39,589	454,212
$50,000 under $75,000	329,825	474,421	329,825	474,418	578,379	5,083,310	577,544	2,537,058	619,513	1,706,924	45,649	738,537
$75,000 under $100,000	33,051	52,817	33,051	52,816	191,748	1,949,254	191,748	974,717	212,542	1,153,556	22,655	458,042
$100,000 under $200,000	12,387	27,418	12,387	27,418	166,794	1,921,771	166,794	962,910	173,570	1,335,649	19,721	363,904
$200,000 under $500,000	2,042	5,300	2,042	5,300	48,178	569,011	48,178	284,689	54,826	913,981	9,048	594,781
$500,000 under $1,000,000	138	290	138	290	8,022	97,583	8,020	48,780	10,225	354,754	1,424	140,378
$1,000,000 or more	56	116	56	116	4,684	62,848	4,677	31,430	14,357	534,278	1,231	320,193
Taxable returns, total	**6,772,211**	**11,002,301**	**5,072,251**	**6,942,134**	**7,496,480**	**58,897,128**	**3,143,845**	**10,553,791**	**4,563,125**	**11,660,619**	**302,533**	**6,295,682**
No adjusted gross income	*6	*24	—	—	2,491	23,207	*251	*1,279	1,734	39,031	6,064	1,238,868
$1 under $5,000	177,546	385,396	—	—	80,420	419,706	—	—	88,416	147,930	7,627	152,273
$5,000 under $10,000	734,496	1,181,738	60,167	33,885	1,224,978	8,165,920	—	—	360,481	610,586	*17,902	*288,209
$10,000 under $15,000	1,152,085	1,923,449	449,572	356,884	1,324,064	10,006,920	*4,768	*9,312	372,409	424,895	20,106	143,170
$15,000 under $20,000	983,216	1,641,969	841,014	920,567	993,821	7,737,434	*17,259	*42,129	506,669	849,956	32,340	240,367
$20,000 under $25,000	920,974	1,550,118	917,610	1,338,440	703,209	5,591,532	139,659	138,373	557,009	959,401	18,915	383,305
$25,000 under $30,000	761,913	1,212,559	761,913	1,192,943	559,967	4,916,852	414,272	613,589	304,422	332,454	32,508	542,983
$30,000 under $40,000	1,089,731	1,684,684	1,089,731	1,677,058	948,180	7,226,486	926,785	2,468,341	695,337	1,023,676	30,500	333,920
$40,000 under $50,000	574,750	862,014	574,750	862,011	666,144	5,185,558	648,489	2,471,317	595,272	1,394,444	37,495	410,099
$50,000 under $75,000	329,825	474,421	329,825	474,418	575,602	5,050,445	574,767	2,520,625	617,280	1,674,195	45,543	731,929
$75,000 under $100,000	33,051	52,817	33,051	52,816	191,033	1,932,710	191,033	966,445	211,686	1,101,886	22,343	447,502
$100,000 under $200,000	12,387	27,418	12,387	27,418	165,754	1,911,654	165,754	957,852	173,127	1,315,914	19,625	352,429
$200,000 under $500,000	**2,175	**5,578	**2,175	**5,578	48,126	568,412	48,126	284,389	54,716	904,266	8,931	579,561
$500,000 under $1,000,000	**	**	**	**	8,015	97,538	8,013	48,757	10,204	351,135	1,407	131,640
$1,000,000 or more	56	116	56	116	4,676	62,755	4,669	31,383	14,343	530,851	1,227	319,428
Nontaxable returns, total	**1,470,577**	**3,132,752**	**33,764**	**33,063**	**1,670,806**	**11,967,467**	**31,059**	**94,321**	**631,821**	**1,326,678**	**419,778**	**29,252,356**

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments											
	Total		Moving expense		Employee business expense		Payments to an IRA		Payments to a Keogh plan		Forfeited interest penalty	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)
All returns, total	**38,034,061**	**99,008,229**	**1,790,938**	**4,620,721**	**7,168,462**	**19,621,831**	**15,535,531**	**37,758,393**	**773,296**	**6,194,617**	**823,238**	**137,953**
No adjusted gross income	113,354	423,687	17,729	32,938	17,677	161,029	37,039	60,234	3,755	32,343	6,433	2,593
$1 under $5,000	491,431	712,725	51,302	77,160	100,548	276,013	132,639	243,698	*816	*3,376	59,506	7,051
$5,000 under $10,000	1,539,403	1,883,748	173,169	208,006	297,468	707,487	435,137	704,257	*5,704	*20,092	97,312	14,352
$10,000 under $15,000	2,627,734	3,459,905	204,283	318,792	487,992	1,160,296	738,610	1,352,150	30,166	84,376	72,619	8,370
$15,000 under $20,000	3,336,967	4,712,652	203,448	287,800	657,233	1,495,115	1,030,570	1,894,216	25,181	34,901	74,490	6,902
$20,000 under $25,000	4,037,754	6,883,311	263,838	*459,862	772,320	1,930,682	1,288,043	2,495,415	43,024	99,889	90,696	8,871
$25,000 under $30,000	4,297,779	7,544,903	217,493	420,671	783,874	1,730,800	1,423,249	2,878,093	39,379	103,809	78,154	17,814
$30,000 under $40,000	7,699,549	16,544,239	187,651	509,045	1,345,953	3,154,185	2,856,177	6,417,511	106,262	355,382	136,172	17,546
$40,000 under $50,000	5,922,386	15,984,277	169,357	496,380	1,020,862	2,542,430	2,486,702	6,273,939	79,321	295,847	85,364	17,269
$50,000 under $75,000	5,484,120	22,365,283	189,558	1,025,949	1,118,303	3,423,880	3,101,528	9,107,840	170,062	972,303	88,554	18,987
$75,000 under $100,000	1,290,038	7,823,656	64,417	375,659	295,160	1,429,274	971,558	3,083,499	104,688	927,378	18,889	10,181
$100,000 under $200,000	919,276	7,790,819	40,520	327,965	221,530	1,170,721	793,654	2,507,101	126,538	2,316,362	12,217	3,672
$200,000 under $500,000	217,410	2,139,255	7,489	73,252	42,137	333,095	190,442	582,889	30,905	691,360	2,218	2,275
$500,000 under $1,000,000	40,173	452,050	463	3,018	5,264	57,226	36,151	116,376	4,791	152,317	413	1,415
$1,000,000 or more	16,687	287,719	221	4,224	2,141	49,599	14,032	41,174	2,704	104,884	201	655
Taxable returns, total	**36,400,864**	**96,534,967**	**1,666,701**	**4,419,270**	**6,955,902**	**18,698,674**	**15,182,319**	**37,072,986**	**753,411**	**6,096,599**	**719,162**	**126,264**
No adjusted gross income	4,514	37,855	*121	*580	465	8,591	2,936	7,773	806	8,237	516	223
$1 under $5,000	96,406	223,170	*17,836	*44,074	53,587	111,985	29,805	48,168	*203	*535	*9,535	*1,740
$5,000 under $10,000	857,717	1,326,150	113,970	92,345	225,516	559,340	331,593	537,341	*3,010	*5,218	62,491	12,255
$10,000 under $15,000	2,381,183	3,010,139	197,853	311,406	443,538	910,797	692,033	1,252,226	22,885	64,795	61,932	7,109
$15,000 under $20,000	3,243,114	4,551,975	198,622	286,817	643,269	1,441,587	1,004,801	1,834,362	22,745	32,545	74,490	6,902
$20,000 under $25,000	4,000,066	6,694,013	263,838	459,862	761,918	1,821,026	1,277,437	2,464,883	**81,186	**197,290	90,696	8,871
$25,000 under $30,000	4,266,407	7,483,015	215,673	415,821	779,922	1,717,697	1,410,213	2,854,788	**	**	76,334	17,226
$30,000 under $40,000	7,679,819	16,468,945	187,651	509,045	1,345,422	3,143,029	2,847,034	6,386,013	104,591	337,518	136,172	17,546
$40,000 under $50,000	5,912,574	15,932,051	168,521	489,742	1,018,894	2,539,878	2,482,877	6,260,180	78,698	291,239	85,364	17,269
$50,000 under $75,000	5,477,493	22,333,888	189,558	1,025,949	1,117,868	3,416,455	3,098,412	9,097,950	169,741	968,635	87,718	18,965
$75,000 under $100,000	1,288,836	7,810,167	64,417	375,659	294,497	1,419,079	971,430	3,083,013	104,629	926,190	18,889	10,181
$100,000 under $200,000	918,780	7,788,780	40,520	327,965	221,527	1,170,715	793,291	2,506,304	126,533	2,316,203	12,209	3,671
$200,000 under $500,000	217,149	2,136,043	**7,900	**75,782	42,085	332,178	190,300	582,540	30,892	691,055	2,209	2,247
$500,000 under $1,000,000	40,139	451,683	**	**	5,260	57,165	36,132	116,294	4,788	152,255	409	1,408
$1,000,000 or more	16,667	287,094	221	4,224	2,134	49,149	14,025	41,153	2,704	104,884	198	652
Nontaxable returns, total	**1,633,197**	**2,473,262**	**124,237**	**201,451**	**212,560**	**923,158**	**353,212**	**685,407**	**19,885**	**98,018**	**104,076**	**11,689**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples– money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—Continued								Excess itemized deductions		Unused zero bracket amount	
	Alimony paid		Deduction for working married couple		Foreign housing deduction		Other adjustments					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)	(131)	(132)	(133)
All returns, total	**593,144**	**3,893,788**	**25,647,221**	**26,672,241**	*841	*243	**45,721**	**108,441**	**40,169,452**	**313,333,998**	**813,754**	**1,645,256**
No adjusted gross income	5,785	85,786	42,571	27,470	—	—	*75	*21,295	—	—	—	—
$1 under $5,000	*16,185	*75,362	186,305	30,064	—	—	—	—	384,197	1,881,213	624,081	1,349,958
$5,000 under $10,000	*23,272	*72,786	740,586	156,770	—	—	—	—	1,553,876	5,047,094	115,566	167,007
$10,000 under $15,000	22,703	68,543	1,448,421	463,351	—	—	*1,820	*4,028	2,395,277	8,096,933	53,783	92,723
$15,000 under $20,000	27,006	98,982	1,929,272	891,369	—	—	*4,768	*3,366	3,213,173	10,577,306	*12,490	*24,616
$20,000 under $25,000	85,644	270,897	2,560,110	1,615,550	—	—	*4,767	*2,145	4,005,784	14,631,254	—	—
$25,000 under $30,000	30,231	147,717	2,893,422	2,244,281	—	—	*3,566	*1,716	4,434,476	18,932,890	*6,728	*8,992
$30,000 under $40,000	105,423	514,003	5,561,952	5,552,041	—	—	*8,990	*24,525	8,642,538	46,683,371	—	—
$40,000 under $50,000	58,469	281,483	4,642,393	6,067,071	—	—	*13,618	*9,856	6,528,999	46,991,181	—	—
$50,000 under $75,000	95,118	673,184	4,194,473	7,122,982	*835	*175	6,662	19,984	6,055,579	64,283,135	—	—
$75,000 under $100,000	49,629	506,731	828,285	1,488,257	—	—	*203	*2,679	1,496,996	26,345,892	—	—
$100,000 under $200,000	49,375	621,799	497,137	827,594	**3	**25	*935	*15,600	1,092,137	30,402,930	*924	*1,657
$200,000 under $500,000	19,957	315,433	94,437	139,227	**	**	266	1,705	283,704	17,690,439	*158	*272
$500,000 under $1,000,000	2,635	84,204	21,243	36,066	**3	**44	32	1,400	50,992	6,238,615	*17	*22
$1,000,000 or more	1,712	76,878	6,614	10,146	**	**	19	142	31,724	15,531,745	*7	*9
Taxable returns, total	**570,438**	**3,687,483**	**24,578,647**	**26,346,539**	**841**	**243**	**45,392**	**86,909**	**38,148,362**	**295,805,944**	**788,576**	**1,597,093**
No adjusted gross income	305	10,475	1,543	1,977	—	—	—	—	—	—	—	—
$1 under $5,000	*4,771	*11,490	*3,365	*5,178	—	—	—	—	35,869	34,896	606,823	1,311,758
$5,000 under $10,000	*23,221	*72,057	212,674	47,593	—	—	—	—	702,701	966,630	115,566	167,007
$10,000 under $15,000	*20,878	*59,411	1,273,909	400,368	—	—	*1,820	*4,028	1,925,603	4,309,522	45,863	82,759
$15,000 under $20,000	*26,948	*97,242	1,861,207	849,155	—	—	*4,768	*3,366	3,048,592	8,556,936	*12,490	*24,616
$20,000 under $25,000	84,135	249,908	2,533,184	1,593,821	—	—	*4,767	*2,145	3,942,465	13,550,516	—	—
$25,000 under $30,000	29,001	142,317	2,875,233	2,229,882	—	—	*3,364	*1,490	4,386,037	17,913,624	*6,728	*8,992
$30,000 under $40,000	105,347	512,486	5,545,184	5,538,782	—	—	*8,990	*24,525	8,595,331	45,489,719	—	—
$40,000 under $50,000	57,607	262,267	4,636,332	6,061,624	—	—	**21,366	**48,107	6,520,219	46,590,353	—	—
$50,000 under $75,000	95,032	668,295	4,188,884	7,117,481	*835	*175	**	**	6,042,355	63,237,361	—	—
$75,000 under $100,000	49,577	505,279	827,924	1,488,088	—	—	**	**	1,493,666	26,018,944	—	—
$100,000 under $200,000	49,356	621,038	496,998	827,286	**3	**25	**	**	1,089,707	30,036,192	*924	*1,657
$200,000 under $500,000	19,923	314,347	94,370	139,120	**	**	266	1,705	283,247	17,537,655	*158	*272
$500,000 under $1,000,000	2,629	84,130	21,234	36,052	**3	*44	32	1,400	50,910	6,164,128	*17	*22
$1,000,000 or more	1,708	76,742	6,606	10,132	**	**	19	142	31,680	15,399,468	*7	*9
Nontaxable returns, total	**22,706**	**206,305**	**1,068,574**	**325,702**	**—**	**—**	***329**	***21,532**	**2,021,070**	**17,528,054**	***25,178**	***48,163**

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Contributions deduction for nonitemizers		Exemptions		Taxable income		Income tax before credits		Tax credits			
									Total		Total personal credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)	(145)
All returns, total	**28,041,097**	**13,277,865**	**245,752,978**	**265,152,112**	**97,358,296**	**1,947,024,584**	**86,600,724**	**367,591,995**	**16,859,281**	**7,020,731**	**15,674,042**	**4,101,314**
No adjusted gross income	—	—	2,329,711	2,504,103	—	—	705	6,259	436	734	300	31
$1 under $5,000	2,598,821	446,951	23,635,537	25,485,996	11,962,121	22,454,798	3,835,507	388,299	113,700	3,589	95,094	2,761
$5,000 under $10,000	5,980,513	2,016,018	31,175,745	33,617,553	15,505,727	80,175,587	13,260,991	5,034,748	2,870,865	547,657	2,777,934	512,281
$10,000 under $15,000	6,141,485	2,562,706	30,220,131	32,604,023	13,550,911	128,124,161	13,284,608	12,044,743	2,282,272	626,136	2,125,949	569,827
$15,000 under $20,000	4,827,398	2,498,880	26,505,543	28,604,542	11,232,981	155,416,673	11,159,671	17,856,029	1,405,981	547,558	1,322,846	458,285
$20,000 under $25,000	3,327,911	1,834,650	23,168,666	24,999,109	9,194,660	165,356,554	9,176,055	21,408,374	1,528,540	549,629	1,434,192	462,112
$25,000 under $30,000	2,052,142	1,224,563	20,880,582	22,528,086	7,541,896	165,356,830	7,525,126	23,362,608	1,564,429	548,911	1,426,540	423,355
$30,000 under $40,000	2,043,214	1,447,322	33,775,019	36,457,371	11,474,320	313,916,976	11,468,842	49,274,924	2,443,392	829,635	2,275,178	594,826
$40,000 under $50,000	718,065	667,533	23,459,836	25,320,165	7,451,366	259,365,436	7,450,192	46,071,469	1,743,411	594,954	1,640,278	466,232
$50,000 under $75,000	290,677	407,799	20,675,613	22,317,732	6,417,415	295,296,881	6,413,661	62,632,403	1,726,378	736,349	1,597,949	436,033
$75,000 under $100,000	* 42,759	109,435	5,019,140	5,416,999	1,542,724	100,211,601	1,542,106	26,109,593	514,025	44e,385	447,031	93,669
$100,000 under $200,000	15,200	28,088	3,679,383	3,970,810	1,111,622	112,757,958	1,110,773	36,438,503	457,738	449,924	389,851	63,565
$200,000 under $500,000	2,398	25,457	954,220	1,029,985	289,557	64,277,685	289,484	26,463,348	158,704	485,857	108,591	14,624
$500,000 under $1,000,000	440	5,463	164,562	177,643	51,267	27,327,574	51,273	12,632,950	32,797	176,366	19,509	2,350
$1,000,000 or more	74	2,999	109,290	117,994	31,729	56,985,871	31,730	27,867,745	16,613	475,048	12,800	1,363
Taxable returns, total	**24,552,601**	**12,008,612**	**203,805,919**	**219,933,042**	**83,917,711**	**1,916,198,235**	**83,929,106**	**366,637,278**	**14,167,663**	**6,066,014**	**13,244,082**	**3,544,490**
No adjusted gross income	—	—	36,452	39,285	—	—	512	5,946	243	421	**	**
$1 under $5,000	805,876	121,993	3,879,836	4,185,059	3,739,445	12,119,257	3,747,394	385,450	*25,587	*740	**17,895	**705
$5,000 under $10,000	4,580,837	1,302,444	16,220,815	17,493,256	11,298,953	66,639,170	11,300,833	4,659,841	910,707	172,750	864,172	153,952
$10,000 under $15,000	5,923,322	2,382,922	26,990,380	29,120,842	12,869,710	124,696,281	12,869,659	11,856,091	1,867,323	437,484	1,755,965	413,421
$15,000 under $20,000	4,778,534	2,464,462	25,613,426	27,643,151	11,063,648	154,210,655	11,063,590	17,764,399	1,309,900	455,927	1,275,086	427,638
$20,000 under $25,000	3,316,258	1,833,410	22,850,789	24,657,542	9,137,117	164,740,813	9,137,119	21,348,652	1,489,604	489,906	1,433,577	462,050
$25,000 under $30,000	2,042,043	1,217,861	20,701,899	22,335,411	7,495,360	164,801,486	7,498,484	23,303,879	1,537,787	490,182	1,423,884	420,720
$30,000 under $40,000	2,039,181	1,440,214	33,569,282	36,235,264	11,431,536	313,125,763	11,431,031	49,186,230	2,405,581	740,941	2,260,347	588,280
$40,000 under $50,000	715,032	666,109	23,412,007	25,268,512	7,446,018	259,229,563	7,446,249	46,053,497	1,739,468	576,982	1,639,665	466,216
$50,000 under $75,000	290,677	407,799	20,628,404	22,266,894	6,410,742	295,224,191	6,409,897	62,624,288	1,722,614	728,234	1,596,218	435,977
$75,000 under $100,000	42,759	109,435	5,007,454	5,404,592	1,541,699	100,195,905	1,541,694	26,106,443	513,613	445,235	446,821	93,648
$100,000 under $200,000	15,200	28,088	3,669,389	3,960,069	1,111,183	112,749,282	1,110,387	36,437,679	457,352	449,099	389,590	63,551
$200,000 under $500,000	**2,808	**30,875	952,402	1,028,029	289,356	64,236,953	289,303	26,446,172	158,523	468,680	108,556	14,619
$500,000 under $1,000,000	**	**	164,284	177,344	51,238	27,310,614	51,245	12,624,967	32,769	168,383	**32,306	**3,713
$1,000,000 or more	74	2,999	109,100	117,792	31,706	56,918,303	31,709	27,833,745	16,592	441,049	**	**
Nontaxable returns, total	**3,488,496**	**1,269,253**	**41,947,059**	**45,219,070**	**13,440,585**	**30,826,349**	**2,671,618**	**954,717**	**2,671,618**	**954,717**	**2,429,960**	**556,824**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits—Continued											
	Total personal credits—Continued										Foreign tax credit	
	Child care credit		Credit for the elderly and disabled		Political contributions credit		Mortgage interest credit		Earned income credit used to offset income tax before credits		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)
All returns, total	**8,949,817**	**3,397,090**	**430,469**	**85,783**	**4,604,646**	**241,671**	***4,849**	***1,790**	**2,507,495**	**327,800**	**423,736**	**773,939**
No adjusted gross income	*58	*26	—	—	242	5	—	—	—	—	—	—
$1 under $5,000	*9,535	*324	*14,302	*605	*27,203	*958	—	—	44,054	873	*7,920	*40
$5,000 under $10,000	723,825	169,725	256,245	41,603	222,272	9,340	—	—	1,851,444	291,456	*7,920	*5,639
$10,000 under $15,000	1,134,163	473,234	116,709	36,434	403,831	15,860	—	—	611,997	35,271	*47,520	*13,622
$15,000 under $20,000	1,003,582	429,419	*43,213	*7,120	303,937	14,075	*4,767	*1,759	—	—	*15,840	*9,575
$20,000 under $25,000	1,057,646	442,941	—	—	403,388	15,725	—	—	—	—	*7,921	*63
$25,000 under $30,000	1,110,428	395,284	—	—	353,674	18,339	—	—	—	—	*35,154	*13,047
$30,000 under $40,000	1,601,757	551,244	—	—	747,528	37,015	—	—	—	—	*55,438	*28,647
$40,000 under $50,000	1,127,572	431,440	—	—	586,330	32,419	—	—	—	—	*66,834	*11,146
$50,000 under $75,000	914,881	384,203	—	—	779,447	44,704	—	—	—	—	50,994	113,948
$75,000 under $100,000	171,557	73,142	—	—	316,229	19,848	—	—	—	—	*39,599	*205,223
$100,000 under $200,000	82,214	39,522	—	—	328,749	22,959	*11	*13	—	—	51,011	109,590
$200,000 under $500,000	11,031	5,720	—	—	100,568	7,819	*62	*8	—	—	27,662	144,778
$500,000 under $1,000,000	1,181	642	—	—	18,682	1,531	*4	*9	—	—	8,120	13,346
$1,000,000 or more	387	223	—	—	12,566	1,074	*5	*1	—	—	1,803	105,273
Taxable returns, total	**7,992,367**	**3,081,527**	**236,201**	**46,030**	**4,529,927**	**238,573**	†	†	**1,103,816**	**143,357**	**407,672**	**660,480**
No adjusted gross income	—	—	—	—	*228	*4	—	—	—	—	—	—
$1 under $5,000	—	—	—	—	*17,667	*701	—	—	—	—	*7,920	*40
$5,000 under $10,000	125,104	25,036	101,261	12,407	176,408	7,285	—	—	540,636	109,224	*7,920	*5,639
$10,000 under $15,000	842,383	334,928	91,727	26,503	389,224	15,468	—	—	563,180	34,133	*63,360	**14,176
$15,000 under $20,000	**2,018,300	**846,484	*43,213	*7,120	303,880	14,071	†	†	—	—	**	**
$20,000 under $25,000	**	**	—	—	402,774	15,663	—	—	—	—	**	**
$25,000 under $30,000	1,109,592	395,270	—	—	353,674	18,339	—	—	—	—	*35,154	*13,047
$30,000 under $40,000	1,589,617	544,964	—	—	744,893	36,751	—	—	—	—	**305,955	**443,293
$40,000 under $50,000	1,126,959	431,424	—	—	586,330	32,419	—	—	—	—	**	**
$50,000 under $75,000	914,045	384,175	—	—	778,560	44,678	—	—	—	—	**	**
$75,000 under $100,000	171,557	73,142	—	—	316,019	19,827	—	—	—	—	**	**
$100,000 under $200,000	**93,242	**45,240	—	—	328,489	22,946	†	†	—	—	**	**
$200,000 under $500,000	**	**	—	—	100,536	7,815	†	†	—	—	27,489	127,647
$500,000 under $1,000,000	1,181	642	—	—	**31,245	**2,605	†	†	—	—	8,092	5,363
$1,000,000 or more	387	223	—	—	**	**	†	†	—	—	1,782	71,274
Nontaxable returns, total	**957,450**	**315,563**	**194,268**	**39,733**	**74,719**	**3,099**	†	†	**1,403,679**	**184,243**	**16,064**	**93,459**

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits—Continued											
	General business credits										Other tax credits [2]	
	Total		Investment credit [1]		Jobs credit		Alcohol fuel credit		Low-income housing credit			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)	(167)	(168)	(169)
All returns, total	**679,820**	**1,115,836**	**706,139**	**1,544,174**	**21,062**	**43,241**	**281**	**119**	**26,561**	**110,946**	**462,771**	**1,029,642**
No adjusted gross income	32	193	47,112	265,131	475	4,335	—	—	**2,022	**17,282	143	509
$1 under $5,000	*5,919	*745	25,127	11,692	—	—	—	—	**	**	*4,767	*43
$5,000 under $10,000	49,912	15,456	60,114	64,844	—	—	—	—	*2,955	*1,129	53,499	14,261
$10,000 under $15,000	43,648	6,542	42,342	10,005	*7,925	*2,095	—	—	*1,820	*20,431	72,878	36,145
$15,000 under $20,000	33,967	16,363	38,863	48,880	—	—	—	—	*613	*248	57,527	63,334
$20,000 under $25,000	60,047	25,635	49,121	23,429	*205	*228	—	—	*7,724	*7,760	38,572	61,819
$25,000 under $30,000	54,826	10,486	47,475	13,207	—	—	—	—	*57	*304	59,139	102,022
$30,000 under $40,000	92,945	65,593	85,411	184,308	*203	*46	—	—	*6,251	*9,818	66,892	140,569
$40,000 under $50,000	55,645	39,537	46,237	19,528	*905	*4,727	—	—	—	—	26,436	78,039
$50,000 under $75,000	90,640	94,109	80,220	123,114	4,002	7,243	—	—	*3,206	*15,825	31,144	92,259
$75,000 under $100,000	56,353	78,241	56,003	113,648	1,848	2,901	*240	*54	*610	*7,600	16,887	71,253
$100,000 under $200,000	78,576	186,258	74,130	165,781	2,252	4,734	*9	*9	653	12,394	17,922	90,510
$200,000 under $500,000	39,948	211,428	37,723	193,124	1,745	5,707	*3	*()	482	3,220	11,717	115,026
$500,000 under $1,000,000	9,597	108,576	9,011	100,335	634	2,612	*18	*7	78	5,146	3,008	52,094
$1,000,000 or more	7,765	256,673	7,250	207,150	868	8,613	*11	*48	90	7,790	2,240	111,738
Taxable returns, total	**603,854**	**1,056,389**	**552,862**	**1,134,467**	**12,531**	**36,136**	**261**	**119**	**10,338**	**60,859**	**284,013**	**784,655**
No adjusted gross income	*19	*141	2,942	28,043	91	133	—	—	**7	**1,212	*15	*276
$1 under $5,000	—	—	*103	*247	—	—	—	—	**	**	—	—
$5,000 under $10,000	*26,123	*8,273	23,464	8,551	—	—	—	—	—	—	*20,214	*4,866
$10,000 under $15,000	35,658	2,926	30,083	2,718	—	—	—	—	—	—	*40,868	*16,600
$15,000 under $20,000	24,545	7,661	28,755	27,422	—	—	—	—	—	—	*16,751	*11,053
$20,000 under $25,000	45,149	12,569	39,050	13,691	*202	*213	—	—	—	—	*14,535	*15,224
$25,000 under $30,000	54,585	10,471	45,743	8,114	—	—	—	—	*57	*304	35,394	45,943
$30,000 under $40,000	82,756	47,921	75,088	135,501	*203	*46	—	—	*6,199	*9,746	51,005	101,311
$40,000 under $50,000	55,348	39,477	46,176	18,105	*905	*4,727	—	—	—	—	22,790	60,143
$50,000 under $75,000	87,925	86,288	77,924	116,610	3,800	6,521	—	—	**2,979	**19,538	30,931	92,020
$75,000 under $100,000	56,143	78,150	55,770	110,601	1,848	2,901	*240	*54	**	**	16,685	66,215
$100,000 under $200,000	78,301	185,[illegible]	73,888	165,477	2,244	4,734	*9	*9	451	12,213	**29,577	**205,153
$200,000 under $500,000	39,940	211,38[illegible]	37,646	192,556	1,740	5,691	*3	*()	**555	**10,056	**	**
$500,000 under $1,000,000	9,597	108,576	8,992	99,853	630	2,557	*18	*7	**	**	3,008	52,094
$1,000,000 or more	7,765	256,673	7,238	206,977	868	8,613	*11	*48	90	7,790	2,240	111,738
Nontaxable returns, total	**75,966**	**59,447**	**153,277**	**409,707**	**8,531**	**7,105**	—	—	**16,223**	**50,088**	**178,758**	**244,987**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after personal credits		Income tax after credits		Alternative minimum tax preferences (Form 6251)		Alternative minimum tax preferences for returns with alternative minimum tax		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(170)	(171)	(172)	(173)	(174)	(175)	(176)	(177)	(178)	(179)	(180)	(181)
All returns, total	**84,192,342**	**363,490,681**	**83,898,079**	**360,571,264**	**3,509,974**	**153,936,542**	**584,755**	**93,199,228**	**606,907**	**6,713,149**	**83,967,413**	**367,287,213**
No adjusted gross income	636	6,228	489	5,525	66,880	7,065,532	14,532	3,339,915	14,775	302,408	15,388	308,483
$1 under $5,000	3,758,080	385,537	3,747,394	384,710	97,896	486,398	1,573	132,560	1,573	12,767	3,748,910	397,477
$5,000 under $10,000	11,354,952	4,522,467	11,300,833	4,487,091	91,550	399,945	2,053	130,478	2,053	14,739	11,302,273	4,501,830
$10,000 under $15,000	12,917,579	11,474,916	12,869,046	11,418,607	85,228	500,266	7,900	326,632	7,900	19,924	12,871,560	11,438,531
$15,000 under $20,000	11,113,788	17,397,744	11,063,590	17,308,472	122,391	630,129	3,558	256,120	3,566	32,186	11,064,250	17,340,658
$20,000 under $25,000	9,176,054	20,946,262	9,136,875	20,858,745	115,047	834,801	3,205	221,589	3,818	24,043	9,139,455	20,882,788
$25,000 under $30,000	7,522,470	22,939,253	7,497,653	22,813,698	166,933	1,011,706	8,766	363,341	8,766	37,264	7,499,447	22,850,962
$30,000 under $40,000	11,460,890	48,680,096	11,423,883	48,445,289	346,553	3,368,744	62,900	2,291,676	62,900	183,214	11,434,253	48,628,503
$40,000 under $50,000	7,450,192	45,605,237	7,444,139	45,476,514	489,484	4,370,997	68,396	2,772,508	80,645	267,710	7,446,963	45,744,224
$50,000 under $75,000	6,412,768	62,196,371	6,397,981	61,896,054	734,653	8,700,258	118,419	5,394,473	122,355	563,779	6,414,601	62,459,834
$75,000 under $100,000	1,541,846	26,015,924	1,536,195	25,661,208	425,275	8,628,694	98,263	5,710,901	101,868	619,757	1,543,446	26,280,965
$100,000 under $200,000	1,110,664	36,374,938	1,108,302	35,988,579	503,315	21,495,958	123,287	13,970,089	126,127	1,298,520	1,113,163	37,289,197
$200,000 under $500,000	289,423	26,448,724	288,796	25,977,492	193,500	23,179,518	46,346	13,595,264	46,874	1,089,229	290,429	27,066,736
$500,000 under $1,000,000	51,270	12,630,600	51,201	12,456,584	42,566	15,475,854	10,345	8,159,296	10,428	471,534	51,467	12,928,118
$1,000,000 or more	31,730	27,866,382	31,702	27,392,697	28,703	57,787,740	15,212	36,534,387	15,259	1,776,075	31,808	29,168,908
Taxable returns, total	**83,928,667**	**363,092,788**	**83,898,079**	**360,571,264**	**3,257,280**	**149,243,931**	**584,755**	**93,199,228**	**606,907**	**6,713,149**	**83,967,413**	**367,287,213**
No adjusted gross income	504	5,942	489	5,525	14,871	3,351,986	14,532	3,339,915	14,775	302,408	15,388	308,483
$1 under $5,000	3,747,394	384,749	3,747,394	384,710	22,305	156,561	1,573	132,560	1,573	12,767	3,748,910	397,477
$5,000 under $10,000	11,300,833	4,505,889	11,300,833	4,487,091	41,771	247,393	2,053	130,478	2,053	14,739	11,302,273	4,501,830
$10,000 under $15,000	12,869,659	11,442,671	12,869,046	11,418,607	65,836	433,948	7,900	326,632	7,900	19,924	12,871,560	11,438,531
$15,000 under $20,000	11,063,590	17,336,761	11,063,590	17,308,472	104,324	537,284	3,558	256,120	3,566	32,186	11,064,250	17,340,658
$20,000 under $25,000	9,137,119	20,886,601	9,136,875	20,858,745	107,196	795,923	3,205	221,589	3,818	24,043	9,139,455	20,882,788
$25,000 under $30,000	7,498,484	22,883,159	7,497,653	22,813,698	153,907	964,800	8,766	363,341	8,766	37,264	7,499,447	22,850,962
$30,000 under $40,000	11,431,031	48,597,949	11,423,883	48,445,289	341,591	3,327,128	62,900	2,291,676	62,900	183,214	11,434,253	48,628,503
$40,000 under $50,000	7,446,249	45,587,281	7,444,139	45,476,514	486,154	4,346,960	68,396	2,772,508	80,645	267,710	7,446,963	45,744,224
$50,000 under $75,000	6,409,840	62,188,311	6,397,981	61,896,054	729,083	8,653,779	118,419	5,394,473	122,355	563,779	6,414,601	62,459,834
$75,000 under $100,000	1,541,434	26,012,795	1,536,195	25,661,208	423,677	8,587,199	98,263	5,710,901	101,868	619,757	1,543,446	26,280,965
$100,000 under $200,000	1,110,336	36,374,127	1,108,302	35,988,579	502,228	21,465,737	123,287	13,970,089	126,127	1,298,520	1,113,163	37,289,197
$200,000 under $500,000	289,243	26,431,553	288,796	25,977,492	193,167	23,161,642	46,346	13,595,264	46,874	1,089,229	290,429	27,066,736
$500,000 under $1,000,000	51,242	12,622,617	51,201	12,456,584	42,500	15,460,293	10,345	8,159,296	10,428	471,534	51,467	12,928,118
$1,000,000 or more	31,709	27,832,383	31,702	27,392,697	28,670	57,753,300	15,212	36,534,387	15,259	1,776,075	31,808	29,168,908
Nontaxable returns, total	**263,675**	**397,893**	—	—	**252,694**	**4,692,611**	—	—	—	—	—	—

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments			
									Total		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(182)	(183)	(184)	(185)	(186)	(187)	(188)	(189)	(190)	(191)	(192)	(193)
All returns, total	**10,139,954**	**13,529,895**	**428,112**	**142,731**	**667,489**	**200,891**	**85,803,688**	**381,223,547**	**95,023,937**	**403,872,796**	**87,988,908**	**315,084,804**
No adjusted gross income	159,637	172,992	15,226	5,998	25,330	7,446	194,257	529,396	478,008	1,379,325	305,681	648,335
$1 under $5,000	912,396	316,249	*20,271	*2,134	244,861	74,873	4,505,941	645,556	12,327,586	2,823,105	11,911,534	2,479,200
$5,000 under $10,000	1,281,466	842,371	26,982	9,879	377,754	117,057	11,823,777	5,265,379	13,540,004	9,321,581	12,260,497	8,203,127
$10,000 under $15,000	1,056,875	894,140	*28,183	*6,977	*19,544	*1,516	13,045,078	12,346,534	12,952,161	16,818,230	11,839,681	15,116,154
$15,000 under $20,000	1,116,072	1,218,973	31,626	7,562	—	—	11,161,509	18,610,177	10,999,146	22,916,698	9,956,153	20,209,564
$20,000 under $25,000	1,036,066	1,285,566	*22,590	*6,441	—	—	9,184,284	22,184,482	9,028,267	26,694,545	8,369,444	23,889,933
$25,000 under $30,000	849,190	1,098,286	35,798	*7,843	—	—	7,524,182	23,965,482	7,497,569	28,961,076	7,068,281	26,324,103
$30,000 under $40,000	1,348,367	1,960,376	77,744	20,652	—	—	11,458,931	50,648,116	11,397,796	59,401,042	10,820,308	53,998,147
$40,000 under $50,000	845,397	1,546,036	64,093	26,775	—	—	7,454,677	47,360,532	7,409,802	53,129,361	7,010,613	47,765,652
$50,000 under $75,000	876,538	2,083,757	76,864	31,416	—	—	6,417,850	64,609,471	6,381,999	68,777,306	5,930,662	58,425,294
$75,000 under $100,000	287,685	867,859	19,528	7,467	—	—	1,545,150	27,190,258	1,531,648	26,638,617	1,331,475	19,481,875
$100,000 under $200,000	285,585	950,374	8,163	8,413	—	—	1,114,129	38,301,973	1,108,324	33,949,709	910,808	21,334,694
$200,000 under $500,000	62,095	196,762	835	835	—	—	290,592	27,302,807	288,676	21,998,853	220,957	10,906,381
$500,000 under $1,000,000	17,514	80,881	114	76	—	—	51,501	13,032,909	51,214	10,785,389	34,096	3,109,636
$1,000,000 or more	5,371	15,273	95	262	—	—	31,830	29,230,475	31,737	20,277,960	18,718	3,192,509
Taxable returns, total	**8,272,969**	**12,177,994**	**373,976**	**128,039**	**—**	**—**	**83,967,413**	**379,981,061**	**80,546,106**	**397,351,602**	**74,455,392**	**310,687,179**
No adjusted gross income	3,963	8,450	*64	*74	—	—	15,388	322,122	11,862	371,922	5,725	65,211
$1 under $5,000	132,426	57,752	—	—	—	—	3,748,910	457,642	2,887,361	1,091,459	2,753,060	981,610
$5,000 under $10,000	706,948	454,218	*21,361	*5,939	—	—	11,302,273	4,969,800	9,989,400	7,325,089	9,042,910	6,538,873
$10,000 under $15,000	892,196	741,201	*17,266	*5,161	—	—	12,871,560	12,191,499	12,305,258	16,135,688	11,254,247	14,537,769
$15,000 under $20,000	1,028,258	1,081,731	*29,749	*7,122	—	—	11,064,250	18,469,937	10,811,481	22,573,740	9,817,931	19,960,536
$20,000 under $25,000	991,551	1,192,256	*22,590	*6,441	—	—	9,139,455	22,091,093	8,961,068	26,504,692	8,320,090	23,790,147
$25,000 under $30,000	826,369	1,051,987	35,798	7,843	—	—	7,499,447	23,917,401	7,444,110	28,799,255	7,031,004	26,218,897
$30,000 under $40,000	1,324,277	1,884,863	77,542	20,412	—	—	11,434,253	50,571,693	11,360,023	59,236,802	10,791,902	53,904,252
$40,000 under $50,000	837,520	1,520,734	64,085	26,767	—	—	7,446,963	47,335,185	7,398,104	53,048,801	7,001,362	47,723,029
$50,000 under $75,000	873,672	2,079,859	**96,331	**38,799	—	—	6,414,601	64,605,187	6,371,322	68,688,384	5,922,646	58,368,023
$75,000 under $100,000	286,043	863,977	**	**	—	—	1,543,446	27,185,915	1,528,945	26,616,335	1,331,076	19,476,848
$100,000 under $200,000	284,903	948,498	8,155	8,403	—	—	1,113,163	38,298,250	1,106,029	33,918,864	909,990	21,320,652
$200,000 under $500,000	61,991	196,407	826	739	—	—	290,429	27,302,180	288,291	21,988,127	220,700	10,902,261
$500,000 under $1,000,000	17,492	80,817	114	76	—	—	51,467	13,032,770	51,147	10,781,545	34,057	3,108,335
$1,000,000 or more	5,360	15,245	95	262	—	—	31,808	29,230,388	31,705	20,270,901	18,692	3,190,737
Nontaxable returns, total	**1,866,985**	**1,351,900**	**54,136**	**14,692**	**667,489**	**200,891**	**1,836,275**	**1,242,486**	**14,477,831**	**6,521,194**	**13,533,516**	**4,997,424**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued						Earned income credit, refundable portion		Advance earned income credit payments	
	Estimated tax payments		Windfall profit tax overpayment		All other taxpayments [3]		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(194)	(195)	(196)	(197)	(198)	(199)	(200)	(201)	(202)	(203)
All returns, total	**11,824,815**	**69,891,346**	**58,471**	**14,253**	**2,723,730**	**18,878,352**	**4,648,129**	**1,478,559**	**1,266**	**2,400**
No adjusted gross income	104,885	485,579	1,747	1,859	153,089	243,519	20,827	6,031	*5	*47
$1 under $5,000	427,688	305,307	*57	*1	135,908	38,492	1,865,679	549,430	—	—
$5,000 under $10,000	1,411,924	1,059,262	*15,447	*161	190,578	54,925	2,623,057	914,622	—	—
$10,000 under $15,000	1,569,052	1,644,625	*4,768	*34	106,240	57,418	138,566	8,476	—	—
$15,000 under $20,000	1,552,235	2,597,297	*9	*()	165,686	109,837	—	—	—	—
$20,000 under $25,000	1,266,204	2,651,860	*1,023	*147	154,278	152,605	—	—	—	—
$25,000 under $30,000	863,222	2,489,792	*5,242	*267	150,279	146,914	—	—	—	—
$30,000 under $40,000	1,294,688	5,168,466	*2,023	*107	196,023	234,321	—	—	—	—
$40,000 under $50,000	960,957	5,046,648	*4,000	*306	284,406	316,756	—	—	—	—
$50,000 under $75,000	1,176,289	9,501,762	9,394	2,032	577,007	848,218	—	—	*836	*54
$75,000 under $100,000	481,898	6,175,379	2,923	690	232,159	980,672	—	—	*202	*503
$100,000 under $200,000	490,041	10,118,849	7,401	4,775	257,046	2,491,390	—	—	*202	*1,759
$200,000 under $500,000	162,482	8,346,143	3,163	1,732	91,318	2,744,597	—	—	*10	*32
$500,000 under $1,000,000	37,228	5,734,791	771	558	17,266	1,940,404	—	—	*8	*4
$1,000,000 or more	26,022	8,565,585	503	1,582	12,247	8,518,284	—	—	3	2
Taxable returns, total	**10,991,225**	**68,560,785**	**37,182**	**12,289**	**2,256,555**	**18,669,845**	**—**	**—**	***1,261**	***2,353**
No adjusted gross income	6,526	141,841	166	462	4,210	164,408	—	—	—	—
$1 under $5,000	160,666	95,237	*57	*1	26,940	14,611	—	—	—	—
$5,000 under $10,000	1,098,179	747,925	—	—	75,920	36,587	—	—	—	—
$10,000 under $15,000	1,509,054	1,554,464	*4,768	*34	79,480	43,421	—	—	—	—
$15,000 under $20,000	1,510,998	2,509,015	*9	*()	140,131	104,189	—	—	—	—
$20,000 under $25,000	1,250,365	2,575,303	*204	*2	134,610	139,241	—	—	—	—
$25,000 under $30,000	849,120	2,435,929	*1,878	*28	139,337	144,400	—	—	—	—
$30,000 under $40,000	1,283,993	5,107,382	*2,023	*107	188,750	225,060	—	—	—	—
$40,000 under $50,000	956,698	5,018,514	*3,943	*286	281,821	306,972	—	—	—	—
$50,000 under $75,000	1,171,301	9,475,649	9,386	2,032	576,376	842,679	—	—	*836	*54
$75,000 under $100,000	479,641	6,159,418	2,923	690	231,969	979,378	—	—	*202	*503
$100,000 under $200,000	489,170	10,105,549	7,401	4,775	256,307	2,487,888	—	—	*202	*1,759
$200,000 under $500,000	162,320	8,340,967	**4,424	**3,871	91,218	2,743,167	—	—	*10	*32
$500,000 under $1,000,000	37,186	5,733,209	**	**	17,251	1,939,444	—	—	*8	*4
$1,000,000 or more	26,008	8,560,383	**	**	12,235	8,518,199	—	—	3	2
Nontaxable returns, total	**833,590**	**1,330,561**	**21,289**	**1,964**	**467,175**	**188,707**	**4,648,129**	**1,478,559**	***5**	***47**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 1987 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(204)	(205)	(206)	(207)	(208)	(209)	(210)	(211)	(212)	(213)
All returns, total	**78,104,770**	**77,628,666**	**75,439,727**	**69,522,051**	**4,144,260**	**8,106,615**	**21,459,867**	**53,819,242**	**2,339,278**	**315,984**
No adjusted gross income	421,458	1,070,119	388,194	934,452	43,562	135,667	123,311	215,794	12,107	1,587
$1 under $5,000	12,180,652	3,009,552	12,084,351	2,941,672	153,503	67,880	1,680,095	283,499	32,306	925
$5,000 under $10,000	12,304,906	5,927,911	11,977,876	5,736,791	510,273	191,120	2,895,712	964,744	189,419	7,657
$10,000 under $15,000	11,151,248	5,832,934	10,709,035	5,619,350	564,051	213,584	2,419,062	1,366,670	313,273	13,907
$15,000 under $20,000	8,939,875	6,073,133	8,596,056	5,773,587	501,980	299,546	2,321,772	1,785,731	281,483	19,119
$20,000 under $25,000	7,242,149	6,335,954	6,956,722	6,067,683	442,933	268,270	1,959,941	1,847,699	265,600	21,808
$25,000 under $30,000	5,998,977	6,797,332	5,778,775	6,443,696	334,633	353,637	1,556,160	1,814,551	149,976	12,813
$30,000 under $40,000	8,730,670	12,451,303	8,410,108	11,801,467	456,143	649,836	2,732,275	3,733,624	352,422	35,247
$40,000 under $50,000	5,424,350	9,307,417	5,231,758	8,782,167	298,439	525,250	2,031,099	3,566,913	201,252	28,325
$50,000 under $75,000	4,279,018	10,058,599	4,053,698	9,120,037	419,233	938,562	2,143,127	5,931,059	254,998	40,242
$75,000 under $100,000	827,410	3,392,064	749,617	2,709,115	175,943	682,949	715,695	3,968,098	114,349	23,889
$100,000 under $200,000	467,109	3,240,185	399,034	2,260,403	157,669	979,782	645,381	7,650,223	122,517	56,016
$200,000 under $500,000	103,243	1,655,803	80,219	804,138	59,142	851,666	186,825	6,993,207	39,793	33,418
$500,000 under $1,000,000	23,569	1,261,636	18,453	224,322	18,678	1,037,314	27,798	3,518,523	6,477	9,363
$1,000,000 or more	10,136	1,214,723	5,831	303,172	8,078	911,552	21,614	10,178,908	3,306	11,668
Taxable returns, total	**63,705,598**	**70,199,512**	**61,245,689**	**62,403,507**	**3,822,945**	**7,796,005**	**20,162,969**	**53,140,381**	**2,191,732**	**309,057**
No adjusted gross income	7,633	149,035	5,733	99,432	4,201	49,603	7,745	99,874	2,177	639
$1 under $5,000	2,646,362	801,553	2,605,894	768,177	70,324	33,375	1,088,245	168,211	19,612	475
$5,000 under $10,000	8,752,632	3,162,135	8,515,263	3,058,040	369,578	104,095	2,535,337	812,880	139,433	6,033
$10,000 under $15,000	10,542,802	5,207,617	10,113,091	5,011,467	535,634	196,150	2,314,455	1,276,588	284,863	13,160
$15,000 under $20,000	8,794,132	5,790,638	8,454,173	5,503,652	495,426	286,986	2,255,817	1,704,792	258,718	17,958
$20,000 under $25,000	7,191,801	6,202,611	6,911,676	5,948,098	436,213	254,513	1,934,755	1,809,776	252,872	20,763
$25,000 under $30,000	5,957,516	6,645,836	5,739,340	6,297,230	330,172	348,606	1,541,931	1,776,521	145,931	12,538
$30,000 under $40,000	8,702,158	12,324,554	8,384,101	11,692,332	451,861	632,222	2,716,818	3,694,419	348,502	34,973
$40,000 under $50,000	5,415,100	9,244,046	5,223,441	8,734,123	294,850	509,923	2,028,593	3,558,607	199,845	28,177
$50,000 under $75,000	4,268,712	9,973,902	4,043,764	9,041,810	417,118	932,092	2,142,752	5,930,768	253,413	40,009
$75,000 under $100,000	825,378	3,373,374	747,706	2,692,511	174,967	680,863	714,970	3,967,326	114,295	23,869
$100,000 under $200,000	464,875	3,213,015	397,361	2,242,035	156,840	970,980	645,362	7,650,174	122,514	56,016
$200,000 under $500,000	102,886	1,645,538	79,929	796,057	59,040	849,481	186,781	6,993,038	**49,557	**54,447
$500,000 under $1,000,000	23,506	1,257,912	18,408	221,985	18,654	1,035,928	**49,408	**13,697,407	**	**
$1,000,000 or more	10,105	1,207,746	5,809	296,559	8,067	911,187	**	**	**	**
Nontaxable returns, total	**14,399,172**	**7,429,154**	**14,194,038**	**7,118,544**	**321,315**	**310,610**	**1,296,898**	**678,862**	**147,546**	**6,927**

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
( ) Less than $500.
1 Includes business energy investment credits.
2 This field has Form 3800 data where we did not receive back-up schedules.
3 Consists of excess social security tax withheld, payments with request for extension of filing time, credit for tax on certain gasoline, fuel, and oil, and credit from regulated investment companies.
NOTE: Detail may not add to total because of rounding.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Domestic and foreign dividends received				State income tax refunds	
							Total		Dividends in AGI			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**0.04**	**0.45**	**0.25**	**0.32**	**0.45**	**1.50**	**1.05**	**6.73**	**1.21**	**6.95**	**0.97**	**1.40**
No adjusted gross income	5.53	1.98	8.23	7.99	6.45	4.41	10.10	7.42	11.59	7.45	15.62	13.35
$1 under $5,000	1.48	1.71	1.68	2.35	2.62	5.49	5.79	10.06	6.44	10.70	13.74	19.71
$5,000 under $10,000	1.48	1.52	1.73	1.91	2.34	4.12	5.09	9.21	5.67	9.67	8.49	12.12
$10,000 under $15,000	1.64	1.65	1.83	1.91	2.39	4.82	5.08	9.35	5.55	9.70	6.35	9.63
$15,000 under $20,000	1.84	1.84	2.02	2.10	2.46	5.29	5.02	9.40	5.62	9.70	5.31	6.98
$20,000 under $25,000	2.04	2.04	2.18	2.25	2.49	5.94	4.78	9.73	5.38	10.03	4.41	5.78
$25,000 under $30,000	1.74	1.74	1.84	1.91	2.10	6.06	4.39	9.73	5.04	10.14	3.49	4.84
$30,000 under $40,000	1.26	1.27	1.33	1.38	1.47	4.69	3.01	7.20	3.49	7.49	2.26	3.17
$40,000 under $50,000	1.67	1.66	1.74	1.76	1.78	5.65	3.01	7.97	3.53	8.30	2.53	3.87
$50,000 under $75,000	0.73	0.75	0.80	0.88	0.79	2.90	1.48	4.33	1.73	4.48	1.30	2.26
$75,000 under $100,000	2.30	2.34	2.38	2.58	2.35	7.75	3.15	11.32	3.48	11.57	3.38	5.57
$100,000 under $200,000	2.08	2.21	2.12	2.61	2.14	4.52	2.80	7.38	3.08	7.48	3.58	7.00
$200,000 under $500,000	4.85	4.78	3.89	5.26	4.93	12.96	5.81	33.60	6.11	33.75	6.24	9.87
$500,000 under $1,000,000	15.38	12.52	0.99	1.43	15.53	31.64	17.32	13.66	17.88	13.63	26.68	19.33
$1,000,000 or more	24.85	12.47	0.51	0.72	25.00	4.86	26.62	43.19	27.16	43.20	0.72	0.97
Taxable returns, total	**0.30**	**0.46**	**0.38**	**0.35**	**0.51**	**1.62**	**1.09**	**7.05**	**1.24**	**7.27**	**0.96**	**1.42**
No adjusted gross income	18.29	4.43	20.91	9.87	18.59	8.21	17.42	14.94	18.07	14.98	17.96	13.22
$1 under $5,000	3.43	3.51	3.86	4.32	4.99	9.14	9.93	14.88	10.66	15.59	35.34	53.68
$5,000 under $10,000	1.84	1.88	2.11	2.22	2.76	4.93	6.23	11.41	6.81	11.96	11.62	17.60
$10,000 under $15,000	1.70	1.71	1.90	1.97	2.48	5.03	5.31	9.87	5.80	10.25	7.03	9.79
$15,000 under $20,000	1.86	1.87	2.04	2.12	2.50	5.41	5.12	9.70	5.76	10.02	5.45	7.26
$20,000 under $25,000	2.05	2.05	2.19	2.26	2.51	5.99	4.82	9.73	5.43	10.03	4.43	5.82
$25,000 under $30,000	1.75	1.75	1.85	1.91	2.11	6.14	4.43	9.72	5.09	10.13	3.52	4.91
$30,000 under $40,000	1.26	1.27	1.33	1.38	1.48	4.73	3.02	7.26	3.51	7.56	2.27	3.18
$40,000 under $50,000	1.67	1.66	1.74	1.76	1.79	5.67	3.02	7.99	3.54	8.31	2.54	3.88
$50,000 under $75,000	0.73	0.75	0.80	0.88	0.80	2.91	1.48	4.34	1.74	4.50	1.30	2.14
$75,000 under $100,000	2.30	2.35	2.39	2.59	2.36	7.84	3.16	11.33	3.48	11.59	3.39	5.59
$100,000 under $200,000	2.08	2.21	2.12	2.61	2.14	4.57	2.81	7.43	3.09	7.53	3.58	7.01
$200,000 under $500,000	4.86	4.79	3.90	5.27	4.94	13.07	5.82	33.73	6.12	33.86	6.24	9.88
$500,000 under $1,000,000	15.40	12.54	1.00	1.44	15.56	31.88	17.35	13.82	17.91	13.79	26.70	19.35
$1,000,000 or more	24.89	12.50	0.51	0.72	25.04	4.95	26.67	43.41	27.20	43.42	0.73	0.98
Nontaxable returns, total	**1.30**	**4.29**	**1.55**	**2.21**	**2.23**	**3.90**	**4.55**	**7.45**	**5.17**	**7.71**	**6.59**	**6.36**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Alimony received		Business or profession				Sales of capital assets					
			Net income		Net loss		Capital gain distributions reported on Form 1040		Sales of capital assets reported on Schedule D			
									Returns with short-term capital gain or loss			
									Total short-term gain		Total short-term loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**9.31**	**11.91**	**0.81**	**1.81**	**2.24**	**2.93**	**3.53**	**7.47**	**3.00**	**7.15**	**3.07**	**7.44**
No adjusted gross income	80.91	31.46	13.15	8.44	7.86	5.72	48.08	64.95	21.18	12.32	20.60	22.36
$1 under $5,000	44.71	48.86	5.40	7.94	11.71	16.84	14.00	25.19	23.67	36.13	26.06	69.19
$5,000 under $10,000	25.48	30.68	4.42	5.96	10.80	15.74	14.58	24.88	23.43	37.22	18.23	35.01
$10,000 under $15,000	24.62	29.54	5.26	6.83	10.09	13.88	12.40	25.45	21.25	31.85	18.97	46.47
$15,000 under $20,000	33.33	43.27	4.99	6.64	10.24	14.00	12.58	29.14	16.65	25.72	16.57	36.62
$20,000 under $25,000	26.20	32.15	4.95	6.83	10.38	13.10	12.55	24.27	15.72	35.27	14.94	46.42
$25,000 under $30,000	24.37	35.87	4.47	6.71	8.31	12.18	12.22	25.91	12.83	35.99	12.32	46.21
$30,000 under $40,000	21.19	27.23	3.28	5.20	5.47	7.82	8.98	23.71	9.40	16.83	9.59	19.36
$40,000 under $50,000	37.72	48.52	3.93	5.84	6.97	8.78	8.51	20.05	8.96	22.73	8.58	16.99
$50,000 under $75,000	23.05	30.21	2.37	3.60	4.64	6.45	5.28	16.96	4.62	10.01	4.76	17.00
$75,000 under $100,000	37.80	50.08	3.99	5.18	6.77	8.97	12.44	27.93	6.43	11.46	7.58	13.63
$100,000 under $200,000	24.83	45.69	5.81	10.16	11.58	17.72	7.43	37.14	6.74	8.09	6.97	11.05
$200,000 under $500,000	28.12	58.00	14.26	3.50	4.47	4.92	9.28	32.36	13.31	5.63	12.35	5.86
$500,000 under $1,000,000	19.79	30.03	50.44	9.47	3.17	2.89	12.55	67.52	32.13	4.49	33.60	6.88
$1,000,000 or more	14.19	41.43	1.26	0.34	71.17	18.49	12.68	40.80	39.28	27.26	41.85	11.64
Taxable returns, total	**9.88**	**12.43**	**1.08**	**1.97**	**2.53**	**3.40**	**3.65**	**7.86**	**3.06**	**7.68**	**3.16**	**8.07**
No adjusted gross income	0.00	0.00	20.12	26.48	40.69	16.19	0.00	0.00	25.19	19.00	24.38	24.45
$1 under $5,000	99.99	99.99	15.09	16.81	31.92	38.56	22.11	45.31	35.04	44.44	49.01	52.31
$5,000 under $10,000	32.22	38.17	6.41	8.34	14.32	20.13	17.63	29.16	27.18	43.24	24.21	45.18
$10,000 under $15,000	26.97	32.14	5.77	7.55	11.29	16.21	12.78	26.14	22.59	37.00	20.85	53.92
$15,000 under $20,000	33.81	43.27	5.18	6.98	10.78	15.98	12.67	29.16	17.32	28.33	17.61	32.13
$20,000 under $25,000	26.20	32.15	5.03	7.03	10.45	13.43	12.67	24.57	16.03	35.71	15.24	46.50
$25,000 under $30,000	24.37	35.87	4.51	6.80	8.45	12.47	12.22	25.91	13.14	36.27	12.64	49.66
$30,000 under $40,000	21.19	27.23	3.27	5.32	5.50	7.89	9.01	23.97	9.51	17.52	9.72	20.40
$40,000 under $50,000	37.72	48.52	3.95	5.90	6.98	8.87	8.51	20.06	9.03	23.58	8.64	17.14
$50,000 under $75,000	23.06	30.23	2.37	3.61	4.66	6.54	5.28	16.96	4.64	10.12	4.80	17.67
$75,000 under $100,000	38.21	52.08	4.01	5.20	6.79	9.11	12.44	27.93	6.48	11.65	7.60	13.67
$100,000 under $200,000	24.89	47.55	5.82	10.18	11.70	17.93	7.43	37.14	6.75	8.13	7.00	11.22
$200,000 under $500,000	28.22	58.10	14.29	3.50	4.49	5.01	9.29	32.40	13.33	5.72	12.37	6.04
$500,000 under $1,000,000	19.79	30.03	50.51	9.51	3.18	2.92	12.61	67.56	32.18	4.59	33.67	7.08
$1,000,000 or more	14.19	41.43	1.26	0.34	71.26	18.71	12.68	40.80	39.33	27.37	41.93	12.01
Nontaxable returns, total	**27.81**	**30.22**	**3.60**	**4.81**	**5.68**	**5.18**	**13.28**	**21.99**	**14.55**	**12.01**	**12.60**	**19.08**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets—Continued											
	Sales of capital assets reported on Schedule D—Continued											
	Returns with short-term capital gain or loss—Continued				Returns with long-term capital gain or loss							
	Net short-term gain		Net short-term loss		Total long-term gain		Total long-term loss		Net long-term gain		Net long-term loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**3.46**	**8.73**	**3.50**	**8.80**	**1.44**	**4.71**	**2.52**	**8.76**	**1.51**	**4.92**	**3.95**	**13.75**
No adjusted gross income	26.80	8.15	19.81	25.24	9.83	4.16	15.28	25.09	10.30	4.11	22.32	38.56
$1 under $5,000	24.48	32.38	30.94	79.13	8.49	13.51	16.23	30.43	8.79	13.76	19.48	33.51
$5,000 under $10,000	25.37	39.11	18.84	35.45	7.71	12.64	15.67	51.03	8.00	12.98	20.46	55.54
$10,000 under $15,000	23.23	29.93	20.45	49.58	7.66	13.72	13.85	25.61	7.97	14.36	17.87	29.61
$15,000 under $20,000	18.43	31.79	18.56	37.74	6.77	11.12	13.43	63.67	6.95	10.89	19.54	74.71
$20,000 under $25,000	18.27	43.68	16.39	49.96	6.83	10.76	11.27	40.87	7.14	11.20	16.13	54.19
$25,000 under $30,000	15.13	29.13	13.98	54.70	6.06	9.73	10.95	48.69	6.32	10.26	14.53	63.85
$30,000 under $40,000	10.51	20.65	10.55	21.37	4.46	8.54	7.74	21.98	4.65	8.81	10.96	29.33
$40,000 under $50,000	10.24	29.23	9.61	19.04	4.34	8.29	7.22	26.14	4.57	8.46	9.42	33.17
$50,000 under $75,000	4.99	10.44	5.51	19.51	2.11	4.39	4.25	10.92	2.21	4.45	6.64	16.11
$75,000 under $100,000	7.78	13.97	7.85	15.64	3.80	7.81	6.01	11.04	4.02	8.12	8.03	17.72
$100,000 under $200,000	5.77	7.85	8.78	12.54	3.17	6.81	6.05	8.25	3.21	7.03	10.89	14.97
$200,000 under $500,000	13.17	7.28	13.21	7.12	6.01	2.90	10.20	28.36	5.53	2.31	5.00	18.78
$500,000 under $1,000,000	2.12	5.08	42.86	9.50	16.86	2.37	29.86	6.16	17.44	2.35	5.16	9.26
$1,000,000 or more	47.79	28.20	1.12	2.93	25.90	15.40	0.74	2.93	26.54	15.63	3.54	17.75
Taxable returns, total	**3.52**	**9.32**	**3.61**	**9.70**	**1.50**	**4.95**	**2.60**	**9.81**	**1.57**	**5.15**	**4.13**	**15.91**
No adjusted gross income	28.42	23.97	30.34	27.01	18.59	6.28	20.98	20.96	19.07	6.16	84.95	1.30
$1 under $5,000	35.04	49.05	68.24	78.55	14.03	16.46	37.70	90.19	14.03	16.50	57.63	99.16
$5,000 under $10,000	28.23	45.05	25.68	45.89	9.92	15.82	21.27	39.98	10.27	16.04	28.09	47.06
$10,000 under $15,000	24.50	35.41	22.81	57.87	8.07	14.57	14.86	31.84	8.35	15.14	19.73	38.93
$15,000 under $20,000	19.10	33.19	19.80	33.31	7.10	12.12	13.88	66.18	7.29	11.67	20.47	76.11
$20,000 under $25,000	18.64	44.18	16.48	49.99	6.93	11.08	11.42	42.09	7.24	11.49	16.42	54.44
$25,000 under $30,000	15.26	29.16	14.45	59.91	6.20	10.16	11.39	51.67	6.46	10.61	15.09	65.33
$30,000 under $40,000	10.64	21.14	10.72	22.36	4.49	8.65	7.78	22.58	4.68	8.91	11.00	29.61
$40,000 under $50,000	10.31	30.76	9.66	19.21	4.35	8.31	7.24	26.38	4.58	8.48	9.46	33.53
$50,000 under $75,000	5.00	10.53	5.54	20.35	2.12	4.41	4.28	11.06	2.21	4.47	6.68	16.41
$75,000 under $100,000	7.85	14.27	7.86	15.67	3.81	7.86	6.04	10.76	4.03	8.16	8.06	17.81
$100,000 under $200,000	5.78	7.88	8.83	12.78	3.17	6.82	6.07	8.33	3.22	7.04	10.96	15.44
$200,000 under $500,000	13.19	7.35	13.25	7.35	6.02	2.90	10.22	29.02	5.53	2.31	5.03	20.18
$500,000 under $1,000,000	2.12	5.16	42.92	9.75	16.89	2.38	29.92	6.64	17.46	2.36	5.21	13.49
$1,000,000 or more	47.82	28.23	1.12	3.07	25.93	15.41	0.74	3.01	26.56	15.64	3.59	18.70
Nontaxable returns, total	**17.40**	**8.82**	**13.77**	**20.96**	**5.67**	**4.78**	**9.63**	**19.52**	**5.98**	**4.97**	**12.16**	**27.43**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets—Continued										Sales of property other than capital assets			
	Sales of capital assets reported on Schedule D—Continued						Net capital gain		Net capital loss		Net gain		Net loss	
	Net long-term capital gain in excess of net short-term capital loss													
	Total		Excluded portion		Amount included in AGI									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	**1.54**	**5.00**	**1.54**	**5.00**	**1.54**	**5.00**	**1.49**	**5.17**	**3.36**	**4.22**	**5.16**	**5.24**	**5.60**	**7.32**
No adjusted gross income	10.46	3.69	10.47	3.69	10.47	3.69	10.31	3.54	0.00	0.00	18.42	10.72	18.90	11.59
$1 under $5,000	8.85	13.84	8.85	13.84	8.85	13.84	8.74	13.37	24.60	30.58	32.74	48.62	28.20	41.54
$5,000 under $10,000	8.13	13.16	8.13	13.16	8.13	13.16	7.97	12.63	16.27	21.40	24.49	39.42	26.81	54.04
$10,000 under $15,000	7.97	13.86	7.99	13.86	7.99	13.86	7.88	13.30	16.48	20.39	23.45	34.64	27.77	37.10
$15,000 under $20,000	7.10	11.06	7.12	11.06	7.10	11.06	6.91	10.66	15.65	19.93	21.43	34.96	26.02	33.45
$20,000 under $25,000	7.23	11.36	7.23	11.36	7.23	11.36	6.99	11.79	13.25	16.88	25.59	30.10	24.97	36.82
$25,000 under $30,000	6.43	10.39	6.43	10.39	6.46	10.39	6.28	10.05	12.24	15.94	20.36	27.27	29.00	38.43
$30,000 under $40,000	4.73	8.93	4.73	8.93	4.74	8.93	4.55	8.51	8.89	11.59	14.48	20.91	15.99	22.39
$40,000 under $50,000	4.63	8.57	4.63	8.57	4.64	8.57	4.49	8.40	7.98	9.51	16.78	29.79	15.23	20.27
$50,000 under $75,000	2.25	4.21	2.25	4.21	2.25	4.21	2.18	4.05	5.24	7.01	9.79	12.60	9.45	18.65
$75,000 under $100,000	4.09	8.25	4.08	8.25	4.09	8.25	3.95	7.86	6.79	7.97	10.19	16.88	17.24	18.72
$100,000 under $200,000	3.31	7.08	3.31	7.08	3.31	7.08	3.19	6.74	9.76	11.45	5.34	9.56	15.21	12.14
$200,000 under $500,000	5.66	2.33	5.66	2.33	5.66	2.33	6.34	2.89	4.12	4.60	26.18	8.55	4.47	8.82
$500,000 under $1,000,000	17.73	2.37	17.73	2.37	17.73	2.37	17.45	2.28	4.42	4.81	59.95	8.48	3.46	8.16
$1,000,000 or more	26.77	15.70	26.78	15.70	26.78	15.70	26.50	16.34	3.12	3.27	1.46	2.21	1.50	3.29
Taxable returns, total	**1.59**	**5.22**	**1.59**	**5.22**	**1.59**	**5.22**	**1.55**	**5.40**	**3.41**	**4.31**	**5.59**	**5.80**	**6.05**	**7.94**
No adjusted gross income	19.08	6.06	19.08	6.06	19.08	6.06	18.75	6.06	0.00	0.00	36.78	15.43	28.55	17.03
$1 under $5,000	14.03	16.51	14.03	16.51	14.03	16.51	13.90	17.02	57.64	97.50	85.29	56.09	67.51	85.52
$5,000 under $10,000	10.42	16.19	10.42	16.19	10.42	16.19	10.11	15.42	22.31	29.66	34.77	49.85	42.90	63.94
$10,000 under $15,000	8.34	14.54	8.37	14.54	8.37	14.54	8.25	14.04	17.60	22.17	25.81	38.49	32.21	43.02
$15,000 under $20,000	7.41	11.83	7.43	11.84	7.41	11.84	7.20	11.42	15.89	20.07	23.57	33.45	27.48	37.88
$20,000 under $25,000	7.34	11.65	7.34	11.66	7.34	11.66	7.09	12.08	13.34	16.98	26.39	32.68	26.02	41.60
$25,000 under $30,000	6.58	10.73	6.58	10.73	6.60	10.73	6.42	10.35	12.32	16.06	21.74	29.96	29.44	43.63
$30,000 under $40,000	4.76	9.01	4.76	9.01	4.77	9.01	4.58	8.60	8.97	11.75	14.62	21.14	16.15	23.25
$40,000 under $50,000	4.64	8.58	4.64	8.58	4.65	8.58	4.50	8.45	8.02	9.60	16.78	29.79	15.28	21.36
$50,000 under $75,000	2.26	4.22	2.26	4.22	2.26	4.22	2.19	4.06	5.26	7.04	9.81	12.68	9.51	19.17
$75,000 under $100,000	4.10	8.28	4.09	8.28	4.10	8.28	3.96	7.89	6.80	7.99	10.21	16.99	17.28	19.00
$100,000 under $200,000	3.31	7.09	3.32	7.09	3.32	7.09	3.20	6.75	9.79	11.50	5.35	9.65	15.25	12.27
$200,000 under $500,000	5.67	2.33	5.67	2.33	5.67	2.33	6.35	2.89	4.13	4.61	26.23	8.62	4.48	8.94
$500,000 under $1,000,000	17.75	2.37	17.75	2.37	17.75	2.37	17.47	2.28	4.43	4.82	60.01	8.57	3.47	8.42
$1,000,000 or more	26.79	15.71	26.79	15.71	26.79	15.71	26.52	16.35	3.13	3.28	1.46	2.22	1.51	3.34
Nontaxable returns, total	**6.10**	**4.65**	**6.10**	**4.65**	**6.10**	**4.65**	**6.00**	**4.34**	**15.40**	**18.72**	**13.79**	**12.41**	**13.58**	**11.22**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Pensions and annuities										
	Total		In adjusted gross income		Fully included in AGI		Partially included in AGI			Not included in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount received	Amount included in AGI	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)
All returns, total	**1.39**	**2.11**	**1.46**	**1.94**	**1.54**	**2.01**	**2.95**	**4.99**	**7.21**	**2.95**	**5.82**
No adjusted gross income	17.76	17.13	19.37	19.29	20.25	20.60	29.70	30.15	31.88	29.70	36.44
$1 under $5,000	7.24	13.27	7.58	9.36	7.94	9.76	16.54	28.93	32.11	16.54	31.79
$5,000 under $10,000	4.43	5.97	4.48	5.44	4.65	5.62	12.30	20.08	20.87	12.30	23.94
$10,000 under $15,000	4.39	5.56	4.46	5.41	4.58	5.54	12.13	17.88	21.48	12.13	22.42
$15,000 under $20,000	4.87	7.75	4.97	6.29	5.10	6.43	12.72	26.69	24.13	12.72	30.80
$20,000 under $25,000	5.22	6.88	5.40	7.04	5.61	7.25	11.73	17.00	24.48	11.73	20.43
$25,000 under $30,000	5.10	8.08	5.32	7.55	5.54	7.83	11.15	21.76	25.82	11.15	27.36
$30,000 under $40,000	3.90	6.04	4.11	6.10	4.37	6.46	7.55	12.84	15.92	7.55	14.99
$40,000 under $50,000	4.11	8.29	4.43	7.15	4.76	7.30	7.35	16.87	25.94	7.35	19.80
$50,000 under $75,000	2.31	4.87	2.46	4.13	2.58	3.95	4.50	10.90	19.03	4.50	12.64
$75,000 under $100,000	5.06	9.36	5.65	7.38	6.25	8.08	6.78	16.08	16.54	6.78	18.83
$100,000 under $200,000	5.47	7.03	6.58	7.62	6.48	8.36	8.58	10.55	11.98	8.58	11.41
$200,000 under $500,000	2.76	9.13	3.19	6.88	3.42	7.40	4.61	12.37	15.91	4.61	12.85
$500,000 under $1,000,000	2.50	6.76	2.94	7.23	3.15	7.40	4.08	9.22	24.47	4.08	9.54
$1,000,000 or more	1.35	3.26	1.56	4.35	1.67	4.52	2.24	4.42	14.67	2.24	4.50
Taxable returns, total	**1.47**	**2.20**	**1.54**	**2.04**	**1.63**	**2.11**	**3.05**	**5.21**	**7.59**	**3.05**	**6.07**
No adjusted gross income	44.01	34.98	44.82	33.30	37.10	34.25	87.29	80.41	41.19	87.29	85.50
$1 under $5,000	20.85	21.97	20.85	22.28	22.36	23.44	57.72	62.90	71.74	57.72	71.13
$5,000 under $10,000	5.51	6.76	5.55	6.77	5.71	6.95	16.91	22.45	27.32	16.91	23.69
$10,000 under $15,000	4.54	5.75	4.61	5.56	4.73	5.69	12.79	18.91	22.76	12.79	23.57
$15,000 under $20,000	4.91	7.86	5.00	6.33	5.14	6.47	12.93	28.16	24.13	12.93	32.86
$20,000 under $25,000	5.25	6.95	5.42	7.11	5.62	7.31	11.83	17.26	25.24	11.83	20.51
$25,000 under $30,000	5.12	8.12	5.33	7.58	5.56	7.86	11.27	21.87	25.83	11.27	27.55
$30,000 under $40,000	3.90	6.05	4.11	6.10	4.37	6.46	7.58	12.88	15.96	7.58	15.04
$40,000 under $50,000	4.12	8.31	4.44	7.17	4.77	7.31	7.39	16.90	26.04	7.39	19.82
$50,000 under $75,000	2.31	4.87	2.46	4.13	2.58	3.95	4.50	10.91	19.03	4.50	12.65
$75,000 under $100,000	5.06	9.37	5.66	7.39	6.26	8.10	6.78	16.08	16.54	6.78	18.83
$100,000 under $200,000	5.48	7.06	6.59	7.65	6.49	8.37	8.58	10.61	11.89	8.58	11.45
$200,000 under $500,000	2.76	9.15	3.19	6.92	3.42	7.45	4.61	12.38	15.95	4.61	12.86
$500,000 under $1,000,000	2.51	6.77	2.94	7.23	3.15	7.40	4.08	9.25	24.48	4.08	9.57
$1,000,000 or more	1.35	3.26	1.56	4.36	1.67	4.53	2.24	4.42	14.68	2.24	4.50
Nontaxable returns, total	**4.87**	**7.43**	**5.08**	**6.61**	**5.32**	**6.96**	**10.88**	**17.15**	**20.31**	**10.88**	**19.81**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Rent				Royalty				Farm rental			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)
All returns, total	**2.98**	**5.79**	**2.04**	**2.80**	**5.83**	**31.13**	**18.88**	**19.50**	**8.89**	**12.80**	**15.39**	**19.95**
No adjusted gross income	20.18	14.40	11.99	8.38	17.56	12.00	29.13	33.57	53.30	52.02	42.00	34.36
$1 under $5,000	13.90	17.09	15.02	20.42	35.44	55.23	57.72	72.91	37.78	55.15	99.01	99.01
$5,000 under $10,000	9.91	16.77	11.88	14.63	19.60	34.31	99.10	99.10	23.41	31.76	45.31	51.10
$10,000 under $15,000	11.36	15.82	10.67	13.81	22.50	32.10	82.92	71.76	24.32	29.57	32.36	51.04
$15,000 under $20,000	11.42	20.03	9.64	12.20	22.25	32.27	93.89	93.89	28.01	39.16	60.79	84.87
$20,000 under $25,000	11.34	15.75	8.30	10.65	20.92	54.47	70.66	98.60	32.56	54.44	99.95	99.90
$25,000 under $30,000	10.93	20.06	7.23	8.91	22.28	46.38	75.67	96.14	34.98	45.81	99.97	99.97
$30,000 under $40,000	8.67	14.33	5.83	6.25	19.06	39.80	54.76	70.80	22.76	41.54	41.85	56.21
$40,000 under $50,000	9.79	22.99	4.91	5.71	17.96	34.27	58.30	97.63	41.03	88.40	32.88	35.23
$50,000 under $75,000	4.72	9.35	2.95	3.95	8.55	20.12	29.79	41.70	15.38	24.98	24.84	43.04
$75,000 under $100,000	8.53	37.01	4.27	4.76	12.26	22.09	29.03	39.22	23.76	36.07	33.98	36.06
$100,000 under $200,000	3.82	7.23	5.34	5.41	7.22	15.64	18.03	29.84	19.28	42.85	26.49	27.81
$200,000 under $500,000	2.95	5.62	9.66	3.74	5.47	12.71	15.67	26.63	15.99	45.45	20.88	27.50
$500,000 under $1,000,000	45.32	48.85	1.96	2.89	68.87	89.18	10.82	16.99	14.31	59.45	15.73	31.68
$1,000,000 or more	1.23	2.34	51.92	59.41	1.84	3.85	4.62	7.52	8.55	20.69	9.28	12.74
Taxable returns, total	**3.18**	**6.31**	**2.12**	**3.11**	**6.22**	**33.83**	**18.41**	**18.65**	**9.66**	**14.09**	**16.32**	**22.60**
No adjusted gross income	31.63	37.17	23.00	11.78	47.69	26.13	49.35	64.64	83.99	73.66	25.47	40.28
$1 under $5,000	37.82	42.04	56.01	60.45	98.61	70.05	99.99	99.99	99.99	99.99	0.00	0.00
$5,000 under $10,000	13.16	18.18	15.79	21.43	26.80	43.08	0.00	0.00	33.62	45.80	70.70	71.92
$10,000 under $15,000	12.47	17.39	11.57	16.29	24.29	32.00	99.94	99.94	25.69	32.23	34.17	52.84
$15,000 under $20,000	11.85	20.68	10.12	13.27	22.75	34.37	0.00	0.00	28.01	39.16	60.79	84.87
$20,000 under $25,000	11.51	16.19	8.44	11.34	21.48	61.92	70.68	99.08	32.56	54.44	99.98	99.98
$25,000 under $30,000	11.06	20.77	7.37	9.12	23.67	53.56	85.96	96.90	34.98	45.81	99.97	99.97
$30,000 under $40,000	8.78	15.01	5.89	6.38	19.44	40.68	54.76	70.80	22.76	41.54	42.03	56.33
$40,000 under $50,000	9.87	23.61	4.92	5.75	17.97	34.30	58.33	97.75	41.53	88.40	32.88	35.23
$50,000 under $75,000	4.74	9.41	2.96	3.96	8.58	20.14	29.79	41.70	15.40	25.13	24.84	43.04
$75,000 under $100,000	8.57	37.13	4.28	4.79	12.29	22.49	29.06	39.40	23.76	36.07	33.98	36.06
$100,000 under $200,000	3.83	7.27	5.37	5.46	7.23	15.64	18.03	29.84	19.28	42.85	26.57	29.12
$200,000 under $500,000	2.96	5.63	9.69	3.77	5.49	12.79	15.74	26.94	15.99	45.45	20.91	27.72
$500,000 under $1,000,000	45.39	49.12	1.96	2.90	68.98	89.33	10.82	16.99	14.31	59.45	15.73	31.68
$1,000,000 or more	1.24	2.37	51.98	59.54	1.84	3.85	4.63	7.82	8.55	20.69	9.28	12.74
Nontaxable returns, total	**8.43**	**11.22**	**7.44**	**6.59**	**16.68**	**17.56**	**52.17**	**53.89**	**22.53**	**27.85**	**44.94**	**27.83**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Partnership				Small Business Corporation				Partnership and S Corporation			
	Total income		Total loss		Total income		Total loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)
All returns, total	**2.73**	**2.72**	**2.30**	**2.15**	**5.74**	**2.52**	**5.36**	**3.76**	**3.08**	**2.38**	**2.44**	**1.97**
No adjusted gross income	14.47	4.86	11.34	2.53	12.97	4.43	16.39	6.39	28.25	9.82	10.56	2.71
$1 under $5,000	16.63	28.47	18.52	23.63	51.26	43.33	37.28	41.60	17.62	27.02	18.13	22.13
$5,000 under $10,000	17.86	22.15	20.62	22.59	27.02	33.22	29.73	41.89	15.94	20.51	18.04	26.20
$10,000 under $15,000	18.02	25.33	18.05	18.53	61.31	59.50	31.35	37.83	19.22	27.78	16.75	18.25
$15,000 under $20,000	16.35	24.28	13.97	18.37	36.33	31.63	29.78	29.72	16.43	25.06	13.23	16.35
$20,000 under $25,000	14.04	22.47	13.54	14.44	30.38	34.74	28.66	26.65	14.49	20.88	13.20	13.97
$25,000 under $30,000	12.53	21.07	12.08	13.73	30.81	43.98	29.22	29.91	13.19	20.92	12.21	13.94
$30,000 under $40,000	9.63	17.45	8.04	8.74	18.26	27.83	19.00	19.10	10.02	16.16	7.98	8.64
$40,000 under $50,000	8.50	14.56	7.13	17.74	18.77	26.80	15.71	16.91	8.70	14.29	7.13	16.98
$50,000 under $75,000	4.52	7.67	3.88	4.68	9.11	13.38	9.74	11.79	4.45	7.44	4.18	4.85
$75,000 under $100,000	6.55	7.81	5.13	11.56	9.69	14.03	9.86	10.40	6.58	7.80	5.62	12.83
$100,000 under $200,000	4.92	4.35	4.17	2.74	5.38	8.04	5.48	6.22	5.96	4.34	4.54	2.85
$200,000 under $500,000	8.24	3.48	8.15	2.92	3.46	4.80	3.78	4.34	2.19	3.44	10.71	3.08
$500,000 under $1,000,000	24.73	20.24	22.24	3.20	44.59	3.51	2.50	3.29	32.15	14.51	1.57	1.78
$1,000,000 or more	34.90	8.01	31.68	15.66	0.98	0.83	1.03	1.20	0.86	0.71	42.28	13.09
Taxable returns, total	**2.80**	**2.88**	**2.36**	**2.82**	**5.95**	**2.62**	**5.74**	**3.29**	**3.14**	**2.41**	**2.55**	**2.55**
No adjusted gross income	20.88	7.01	16.87	5.51	23.89	15.77	38.41	10.95	49.72	32.48	21.35	5.51
$1 under $5,000	31.58	48.19	54.85	41.82	79.60	57.77	66.84	76.78	35.15	50.87	48.64	39.60
$5,000 under $10,000	22.01	28.45	27.91	33.31	35.64	44.12	49.96	58.30	19.12	24.51	25.92	31.45
$10,000 under $15,000	20.35	29.19	21.63	24.17	72.04	56.44	49.05	52.37	21.97	31.18	20.17	23.23
$15,000 under $20,000	18.14	30.90	15.20	23.06	38.99	39.85	34.30	36.59	18.12	30.98	14.04	19.43
$20,000 under $25,000	14.55	24.60	14.15	16.09	32.75	38.53	31.28	31.35	14.91	22.10	13.80	15.77
$25,000 under $30,000	12.78	21.96	12.59	14.85	35.66	56.52	34.08	36.23	13.60	22.29	12.69	15.54
$30,000 under $40,000	9.87	18.30	8.20	9.18	18.64	28.16	19.28	21.05	10.16	16.55	8.14	9.20
$40,000 under $50,000	8.59	14.81	7.19	18.75	19.03	27.53	16.14	17.69	8.75	14.40	7.20	17.92
$50,000 under $75,000	4.55	7.77	3.90	4.79	9.25	13.65	9.89	12.82	4.46	7.50	4.20	4.99
$75,000 under $100,000	6.57	7.83	5.15	11.75	9.74	14.14	9.96	10.84	6.60	7.81	5.64	13.17
$100,000 under $200,000	4.93	4.35	4.18	2.76	5.40	8.11	5.50	6.30	5.97	4.34	4.55	2.87
$200,000 under $500,000	8.25	3.50	8.16	2.94	3.47	4.82	3.79	4.45	2.19	3.45	10.73	3.11
$500,000 under $1,000,000	24.76	20.34	22.28	3.23	44.63	3.51	2.51	3.36	32.17	14.55	1.58	1.81
$1,000,000 or more	34.95	8.06	31.72	15.71	0.98	0.83	1.03	1.21	0.87	0.72	42.33	13.15
Nontaxable returns, total	**10.33**	**8.12**	**8.37**	**2.90**	**10.37**	**8.69**	**12.88**	**7.22**	**11.97**	**13.41**	**7.93**	**3.15**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Estate or trust								Farm			
	Total income		Total loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)
All returns, total	**5.32**	**5.25**	**15.17**	**12.64**	**5.37**	**5.29**	**14.72**	**12.32**	**6.09**	**7.80**	**3.26**	**3.93**
No adjusted gross income	29.79	25.48	62.67	28.07	27.13	18.33	71.38	14.23	26.31	22.05	13.20	9.03
$1 under $5,000	18.92	28.12	97.63	75.87	18.94	28.17	97.63	75.95	24.20	36.00	18.77	24.68
$5,000 under $10,000	25.09	28.60	75.39	90.86	25.60	28.90	75.39	97.76	24.48	41.16	15.47	19.38
$10,000 under $15,000	21.88	29.14	56.86	73.73	21.88	29.17	58.24	78.45	27.96	37.58	19.47	21.44
$15,000 under $20,000	23.38	33.22	43.39	57.48	23.38	33.22	43.39	57.48	21.53	25.30	15.73	17.82
$20,000 under $25,000	26.34	35.81	67.07	94.32	26.34	35.81	67.07	94.32	28.82	44.33	16.55	17.64
$25,000 under $30,000	20.05	31.73	48.77	60.13	20.05	31.77	54.90	64.44	19.62	26.29	14.71	18.26
$30,000 under $40,000	17.71	26.95	44.21	49.96	17.71	26.98	48.86	51.28	17.18	24.96	11.82	12.65
$40,000 under $50,000	16.74	23.00	32.54	57.80	17.00	23.59	36.76	72.48	21.88	30.17	13.52	15.28
$50,000 under $75,000	10.35	13.99	21.19	29.13	10.48	14.14	24.79	33.54	13.09	19.07	11.22	12.18
$75,000 under $100,000	18.43	21.12	59.08	35.82	18.50	21.31	31.74	37.60	22.88	36.41	13.51	13.74
$100,000 under $200,000	12.92	10.71	42.02	16.94	13.37	10.96	14.17	16.80	14.77	24.05	7.90	9.45
$200,000 under $500,000	26.77	10.64	58.59	17.85	27.03	10.03	10.36	17.10	10.31	18.60	5.33	6.54
$500,000 under $1,000,000	56.88	7.63	6.74	11.60	57.70	7.77	7.68	13.11	8.94	18.95	72.93	23.67
$1,000,000 or more	1.44	2.69	3.00	4.11	1.47	2.68	3.44	4.16	3.95	5.89	1.72	1.77
Taxable returns, total	**5.53**	**5.32**	**16.10**	**14.01**	**5.57**	**5.38**	**15.01**	**16.36**	**7.62**	**9.28**	**4.42**	**4.43**
No adjusted gross income	30.74	15.88	33.84	31.10	31.79	15.97	39.94	31.07	82.25	36.85	42.74	31.09
$1 under $5,000	22.33	25.23	97.43	66.87	22.34	25.25	97.43	52.08	99.99	99.99	70.94	79.76
$5,000 under $10,000	33.32	37.65	99.94	99.94	33.32	37.65	99.94	99.94	36.94	52.28	25.06	31.77
$10,000 under $15,000	23.71	31.35	71.49	76.19	23.71	31.35	71.49	76.19	37.66	50.94	22.65	25.30
$15,000 under $20,000	24.36	34.28	43.39	57.48	24.36	34.28	43.39	57.48	23.52	28.87	16.06	19.51
$20,000 under $25,000	26.34	35.83	67.09	94.33	26.34	35.83	67.09	94.33	30.13	46.78	17.05	19.38
$25,000 under $30,000	20.91	32.48	48.80	63.51	20.91	32.53	54.95	68.39	20.36	28.35	15.53	19.30
$30,000 under $40,000	17.75	27.10	45.66	61.26	17.75	27.13	50.99	63.50	18.16	27.26	11.89	12.93
$40,000 under $50,000	16.78	23.56	32.71	58.00	17.04	24.20	37.00	72.96	22.33	31.57	13.55	15.32
$50,000 under $75,000	10.42	14.01	21.19	29.13	10.55	14.16	24.79	33.54	13.25	19.10	11.24	12.40
$75,000 under $100,000	18.56	21.33	60.24	40.59	18.63	21.53	33.32	43.76	22.88	36.41	13.57	14.04
$100,000 under $200,000	12.95	10.72	42.55	16.98	13.41	10.97	14.18	16.85	14.77	24.05	7.94	9.47
$200,000 under $500,000	26.80	10.68	58.62	17.93	27.06	10.06	10.38	17.20	10.32	18.70	5.35	6.60
$500,000 under $1,000,000	56.92	7.66	6.78	12.17	57.75	7.80	7.72	13.93	8.96	18.95	73.01	23.92
$1,000,000 or more	1.44	2.71	3.02	4.15	1.47	2.70	3.46	4.20	3.96	5.89	1.72	1.78
Nontaxable returns, total	**19.01**	**21.66**	**45.35**	**26.13**	**19.65**	**22.23**	**48.38**	**14.83**	**13.33**	**16.21**	**8.19**	**7.54**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Unemployment compensation				Social Security benefits				Other income			
	Total		In adjusted gross income		Total		Benefits in AGI		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)
All returns, total	**2.10**	**2.97**	**2.56**	**3.39**	**1.96**	**2.17**	**2.73**	**2.95**	**2.39**	**3.95**	**5.03**	**2.85**
No adjusted gross income	25.98	30.30	0.00	0.00	19.20	20.39	84.20	80.56	23.27	17.18	9.31	3.21
$1 under $5,000	7.35	9.58	0.00	0.00	7.32	8.11	67.19	67.19	11.38	16.24	18.98	25.92
$5,000 under $10,000	5.75	7.57	25.15	32.59	4.91	5.36	70.70	89.62	8.92	15.30	22.98	32.15
$10,000 under $15,000	6.06	8.40	9.90	12.49	5.71	6.43	95.16	92.20	10.14	18.94	34.98	42.71
$15,000 under $20,000	6.71	9.57	7.34	9.80	6.69	7.47	50.64	92.81	9.05	19.03	29.97	27.71
$20,000 under $25,000	6.77	9.78	6.78	8.85	7.95	8.96	17.75	23.62	8.45	17.72	37.07	65.96
$25,000 under $30,000	6.39	9.00	6.39	8.83	7.65	8.63	8.99	12.81	9.65	22.05	29.50	53.41
$30,000 under $40,000	5.31	7.11	5.31	7.11	5.75	6.66	5.82	6.67	6.48	15.08	25.88	22.26
$40,000 under $50,000	6.80	9.04	6.80	9.04	6.74	7.60	6.82	7.54	6.30	18.18	22.23	31.25
$50,000 under $75,000	5.35	7.06	5.35	7.06	3.86	4.25	3.86	4.25	3.66	9.40	17.81	37.78
$75,000 under $100,000	14.19	18.73	14.19	18.73	7.31	7.94	7.31	7.94	6.39	13.35	24.95	61.14
$100,000 under $200,000	13.58	18.33	13.58	18.33	5.86	12.37	5.86	12.34	3.27	8.57	19.59	12.90
$200,000 under $500,000	15.66	19.12	15.66	19.12	3.09	3.60	3.09	3.60	2.75	7.44	38.71	62.01
$500,000 under $1,000,000	21.62	26.30	21.62	26.30	2.74	3.19	2.74	3.19	2.31	7.07	5.84	5.35
$1,000,000 or more	16.40	22.93	16.40	22.93	1.38	1.55	1.39	1.55	55.15	2.06	2.36	1.42
Taxable returns, total	**2.29**	**3.26**	**2.56**	**3.40**	**2.15**	**2.36**	**2.74**	**2.97**	**2.49**	**4.21**	**8.14**	**10.48**
No adjusted gross income	57.20	64.61	0.00	0.00	74.40	75.87	95.35	94.63	23.02	24.54	33.36	10.42
$1 under $5,000	16.26	21.17	0.00	0.00	24.25	25.77	0.00	0.00	22.57	31.10	64.25	61.16
$5,000 under $10,000	7.93	10.45	27.87	38.97	6.12	6.51	0.00	0.00	11.35	19.12	46.93	52.37
$10,000 under $15,000	6.25	8.75	10.07	12.72	5.91	6.65	99.99	99.99	10.89	20.67	44.67	44.11
$15,000 under $20,000	6.77	9.64	7.34	9.80	6.76	7.55	50.81	93.43	9.28	19.79	32.88	34.24
$20,000 under $25,000	6.78	9.79	6.80	8.86	7.95	8.98	17.82	23.63	8.54	17.88	39.71	68.58
$25,000 under $30,000	6.40	9.01	6.40	8.85	7.71	8.69	9.09	12.96	9.81	20.66	31.09	58.48
$30,000 under $40,000	5.31	7.11	5.31	7.11	5.78	6.70	5.85	6.71	6.52	15.47	26.75	25.41
$40,000 under $50,000	6.80	9.07	6.80	9.07	6.74	7.60	6.83	7.54	6.31	18.51	23.18	33.85
$50,000 under $75,000	5.35	7.06	5.35	7.06	3.87	4.26	3.87	4.26	3.67	9.47	17.85	38.11
$75,000 under $100,000	14.19	18.73	14.19	18.73	7.33	7.97	7.33	7.97	6.41	13.30	25.27	62.61
$100,000 under $200,000	13.58	18.33	13.58	18.33	5.89	12.43	5.89	12.40	3.28	8.68	19.68	13.26
$200,000 under $500,000	15.69	19.16	15.69	19.16	3.10	3.60	3.10	3.60	2.76	7.52	39.22	63.64
$500,000 under $1,000,000	21.78	26.36	21.78	26.36	2.74	3.19	2.74	3.19	2.31	7.14	5.91	5.69
$1,000,000 or more	16.40	22.93	16.40	22.93	1.39	1.55	1.39	1.55	55.21	2.07	2.37	1.42
Nontaxable returns, total	**5.54**	**7.21**	**34.93**	**36.16**	**5.15**	**5.76**	**31.52**	**32.32**	**8.18**	**11.38**	**7.60**	**3.41**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments											
	Total		Moving expense		Employee business expense		Payments to an IRA		Payments to a Keogh plan		Forfeited interest penalty	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)
All returns, total	**0.83**	**1.05**	**4.14**	**4.42**	**1.87**	**2.55**	**1.10**	**1.07**	**3.87**	**10.82**	**6.25**	**9.84**
No adjusted gross income	12.00	15.12	38.25	41.65	27.33	29.46	20.10	15.87	51.82	27.50	29.82	29.32
$1 under $5,000	9.23	17.35	29.10	47.47	20.44	31.60	16.96	18.78	79.02	85.40	26.64	49.09
$5,000 under $10,000	5.20	8.87	15.41	21.40	11.90	16.62	9.88	10.61	61.91	49.39	21.76	31.27
$10,000 under $15,000	4.01	6.53	14.74	21.26	9.34	13.49	7.65	8.53	29.91	30.07	24.08	33.32
$15,000 under $20,000	3.50	5.21	14.99	17.72	8.06	11.17	6.36	6.97	33.01	35.05	23.91	45.29
$20,000 under $25,000	3.05	4.29	12.09	15.53	6.96	10.09	5.29	5.61	23.79	26.18	21.57	34.61
$25,000 under $30,000	2.46	3.55	12.05	15.40	6.21	9.26	4.48	4.86	25.04	24.67	19.55	31.20
$30,000 under $40,000	1.69	2.49	12.39	15.66	4.62	6.99	3.10	3.39	14.07	15.43	14.91	25.27
$40,000 under $50,000	1.88	2.11	10.37	10.52	4.54	6.20	2.86	2.90	12.56	12.82	17.59	32.31
$50,000 under $75,000	0.87	1.37	6.96	8.58	2.59	4.83	1.43	1.61	5.97	7.21	9.40	25.41
$75,000 under $100,000	2.42	3.23	10.81	11.46	5.82	7.95	2.78	2.95	6.22	6.66	18.87	41.94
$100,000 under $200,000	2.42	9.32	11.04	16.56	4.55	5.26	2.65	2.74	7.14	28.43	13.40	26.11
$200,000 under $500,000	4.11	4.82	46.75	49.58	3.19	5.74	4.32	3.38	3.66	4.49	14.19	38.34
$500,000 under $1,000,000	19.73	10.65	11.75	16.24	3.37	7.11	21.94	27.25	3.26	4.60	11.66	37.58
$1,000,000 or more	0.60	1.29	7.57	3.75	2.13	3.23	0.70	0.84	1.79	2.47	6.95	4.54
Taxable returns, total	**0.84**	**1.06**	**4.28**	**4.53**	**1.89**	**2.54**	**1.11**	**1.07**	**3.92**	**10.99**	**6.57**	**10.39**
No adjusted gross income	18.88	20.21	63.11	55.15	24.81	37.08	26.23	23.70	76.57	48.51	51.10	29.64
$1 under $5,000	21.16	33.45	50.22	77.93	29.18	51.99	35.88	40.86	99.26	94.16	70.70	99.17
$5,000 under $10,000	7.10	10.94	19.30	24.50	13.88	19.25	11.47	12.26	98.21	77.30	26.98	35.34
$10,000 under $15,000	4.24	6.55	15.04	21.68	9.87	13.08	7.96	8.83	36.09	35.79	26.32	36.32
$15,000 under $20,000	3.57	5.34	15.17	17.78	8.18	11.47	6.48	7.11	35.56	37.16	23.91	45.29
$20,000 under $25,000	3.07	4.26	12.09	15.53	7.03	10.00	5.32	5.66	24.31	27.21	21.57	34.61
$25,000 under $30,000	2.48	3.57	12.12	15.54	6.24	9.32	4.51	4.89	25.04	24.67	19.88	32.08
$30,000 under $40,000	1.70	2.49	12.39	15.66	4.62	7.01	3.10	3.40	14.27	15.92	14.91	25.27
$40,000 under $50,000	1.89	2.11	10.41	10.58	4.55	6.20	2.86	2.90	12.64	12.94	17.59	32.31
$50,000 under $75,000	0.86	1.37	6.96	8.58	2.59	4.84	1.43	1.61	5.98	7.23	9.44	25.44
$75,000 under $100,000	2.42	3.24	10.81	11.46	5.83	7.98	2.78	2.95	6.23	6.66	18.87	41.94
$100,000 under $200,000	2.42	9.32	11.04	16.56	4.55	5.26	2.65	2.74	7.14	28.43	13.41	26.12
$200,000 under $500,000	4.12	4.83	47.07	49.86	3.19	5.76	4.33	3.39	3.66	4.49	14.24	38.82
$500,000 under $1,000,000	19.75	10.66	11.77	16.61	3.38	7.12	21.95	27.27	3.27	4.60	11.77	37.77
$1,000,000 or more	0.60	1.29	7.57	3.75	2.14	3.26	0.70	0.84	1.79	2.47	7.06	4.56
Nontaxable returns, total	**4.73**	**8.25**	**17.24**	**21.71**	**12.54**	**17.00**	**9.56**	**10.30**	**26.19**	**21.57**	**19.64**	**30.23**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments—Continued								Excess itemized deductions		Unused zero bracket amount	
	Alimony paid		Deduction for working married couple		Foreign housing deduction		Other adjustments		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)	(131)	(132)	(133)
All returns, total	**6.38**	**6.23**	**0.84**	**0.85**	**99.23**	**71.70**	**28.26**	**29.49**	**0.59**	**1.46**	**7.61**	**7.95**
No adjusted gross income	28.92	26.46	17.81	14.22	0.00	0.00	78.20	98.26	0.00	0.00	0.00	0.00
$1 under $5,000	52.24	57.52	15.26	23.58	0.00	0.00	0.00	0.00	10.38	18.80	8.72	8.95
$5,000 under $10,000	41.74	56.86	7.50	9.02	0.00	0.00	0.00	0.00	5.21	7.82	20.09	22.76
$10,000 under $15,000	41.28	37.62	5.44	6.39	0.00	0.00	99.97	99.97	4.20	6.15	30.88	31.23
$15,000 under $20,000	36.57	47.03	4.62	5.51	0.00	0.00	99.99	99.99	3.59	4.84	58.93	59.70
$20,000 under $25,000	20.03	23.35	3.86	4.46	0.00	0.00	99.99	99.99	3.14	3.94	0.00	0.00
$25,000 under $30,000	30.11	33.65	3.07	3.61	0.00	0.00	94.49	87.83	2.43	3.23	70.69	93.05
$30,000 under $40,000	17.60	20.58	2.09	2.45	0.00	0.00	56.75	70.95	1.57	2.09	0.00	0.00
$40,000 under $50,000	16.05	17.27	2.17	2.40	0.00	0.00	63.93	48.56	1.81	2.17	0.00	0.00
$50,000 under $75,000	8.87	11.54	1.11	1.28	99.94	99.94	32.72	35.72	0.78	1.15	0.00	0.00
$75,000 under $100,000	18.45	27.57	2.84	3.54	0.00	0.00	99.26	90.27	2.31	3.10	0.00	0.00
$100,000 under $200,000	16.99	8.18	3.54	5.14	0.97	0.97	47.60	84.40	2.12	2.52	50.01	50.27
$200,000 under $500,000	39.85	22.20	1.99	2.66	0.49	0.65	38.14	54.32	4.82	8.26	57.29	60.58
$500,000 under $1,000,000	4.65	5.75	37.33	42.69	0.97	0.97	36.24	80.74	15.55	5.73	66.38	77.62
$1,000,000 or more	2.24	2.44	1.16	1.50	0.00	0.00	24.95	5.66	24.96	25.83	46.06	49.20
Taxable returns, total	**6.51**	**6.42**	**0.85**	**0.86**	**99.23**	**71.70**	**28.45**	**27.96**	**0.60**	**1.51**	**7.71**	**8.07**
No adjusted gross income	30.71	40.69	24.10	31.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
$1 under $5,000	99.93	99.58	99.96	99.98	0.00	0.00	0.00	0.00	34.87	30.71	8.85	9.09
$5,000 under $10,000	41.83	57.43	14.43	17.12	0.00	0.00	0.00	0.00	7.92	9.92	20.09	22.76
$10,000 under $15,000	44.42	41.97	5.84	6.95	0.00	0.00	99.97	99.97	4.74	5.92	31.83	32.85
$15,000 under $20,000	36.65	47.83	4.72	5.65	0.00	0.00	99.99	99.99	3.71	4.70	58.93	59.70
$20,000 under $25,000	20.35	24.38	3.88	4.49	0.00	0.00	99.99	99.99	3.17	3.91	0.00	0.00
$25,000 under $30,000	31.25	34.81	3.09	3.62	0.00	0.00	99.99	99.99	2.44	3.16	70.69	93.05
$30,000 under $40,000	17.61	20.64	2.09	2.45	0.00	0.00	56.75	70.95	1.57	2.03	0.00	0.00
$40,000 under $50,000	16.25	17.29	2.17	2.40	0.00	0.00	64.17	48.57	1.81	2.18	0.00	0.00
$50,000 under $75,000	8.88	11.61	1.11	1.28	99.94	99.94	32.72	35.72	0.79	1.07	0.00	0.00
$75,000 under $100,000	18.47	27.65	2.84	3.54	0.00	0.00	99.26	90.27	2.31	3.12	0.00	0.00
$100,000 under $200,000	17.00	8.19	3.54	5.14	0.97	0.97	47.65	84.44	2.13	2.54	50.01	50.27
$200,000 under $500,000	39.91	22.27	1.99	2.66	0.49	0.65	38.14	54.32	4.83	8.33	57.29	60.58
$500,000 under $1,000,000	4.66	5.76	37.34	42.71	0.97	0.97	36.24	80.74	15.57	9.84	66.38	77.62
$1,000,000 or more	2.25	2.44	1.16	1.50	0.00	0.00	24.95	5.66	24.99	26.06	46.06	49.20
Nontaxable returns, total	**32.85**	**26.19**	**5.97**	**6.93**	**0.00**	**0.00**	**65.82**	**97.18**	**4.36**	**5.42**	**46.93**	**45.80**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Contributions deduction for nonitemizers		Exemptions		Taxable income		Income tax before credits		Tax credits			
									Total		Total personal credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)	(145)
All returns, total	**1.02**	**2.08**	**0.35**	**0.35**	**0.16**	**0.39**	**0.27**	**0.84**	**1.28**	**4.02**	**1.36**	**1.96**
No adjusted gross income	0.00	0.00	6.04	6.05	0.00	0.00	43.38	62.52	51.10	33.07	70.16	83.03
$1 under $5,000	4.13	6.71	1.88	1.88	1.78	2.16	3.39	9.35	20.44	25.54	21.99	25.30
$5,000 under $10,000	2.65	4.50	1.82	1.82	1.51	1.64	1.67	2.01	3.92	5.01	3.99	4.96
$10,000 under $15,000	2.62	4.57	1.99	1.99	1.65	1.72	1.67	1.87	4.45	6.21	4.59	6.33
$15,000 under $20,000	2.98	5.94	2.20	2.20	1.84	1.90	1.85	2.01	5.62	7.59	5.79	7.78
$20,000 under $25,000	3.57	5.97	2.37	2.37	2.04	2.09	2.05	2.19	5.26	8.05	5.43	7.76
$25,000 under $30,000	3.83	6.59	2.07	2.07	1.74	1.79	1.75	1.88	4.41	7.11	4.57	6.15
$30,000 under $40,000	3.82	6.84	1.48	1.48	1.26	1.30	1.26	1.37	3.43	6.86	3.52	4.88
$40,000 under $50,000	6.12	10.31	1.85	1.85	1.67	1.68	1.67	1.73	3.83	7.37	3.90	5.39
$50,000 under $75,000	5.23	10.43	0.86	0.86	0.73	0.78	0.73	0.86	2.20	13.12	2.08	3.06
$75,000 under $100,000	22.10	39.16	2.51	2.51	2.30	2.35	2.31	2.48	4.68	45.25	4.41	6.92
$100,000 under $200,000	11.96	28.54	2.15	2.15	2.09	2.28	2.09	2.44	4.48	15.06	4.51	4.21
$200,000 under $500,000	14.21	49.40	4.61	4.62	4.87	4.30	4.87	4.54	8.87	25.91	1.82	4.01
$500,000 under $1,000,000	12.35	31.38	14.47	14.47	15.46	13.12	15.46	12.93	24.16	4.12	1.56	3.18
$1,000,000 or more	13.23	16.12	28.98	28.99	24.96	8.78	24.96	8.40	0.59	1.03	0.72	1.28
Taxable returns, total	**1.12**	**2.21**	**0.43**	**0.43**	**0.30**	**0.40**	**0.30**	**0.84**	**1.36**	**4.56**	**1.44**	**2.11**
No adjusted gross income	0.00	0.00	15.15	15.17	0.00	0.00	56.83	65.82	83.05	47.39	88.73	57.84
$1 under $5,000	7.53	12.12	3.48	3.48	3.44	3.51	3.43	9.42	46.60	51.66	50.46	54.28
$5,000 under $10,000	3.07	4.71	2.11	2.10	1.84	1.91	1.84	2.14	7.07	9.19	7.26	8.81
$10,000 under $15,000	2.68	4.57	2.05	2.05	1.70	1.76	1.70	1.89	4.95	7.04	5.07	7.23
$15,000 under $20,000	2.99	6.00	2.23	2.23	1.86	1.91	1.86	2.02	5.84	7.86	5.91	7.97
$20,000 under $25,000	3.58	5.98	2.38	2.38	2.05	2.09	2.05	2.20	5.33	7.67	5.43	7.76
$25,000 under $30,000	3.84	6.61	2.08	2.08	1.75	1.79	1.75	1.89	4.46	6.71	4.57	6.16
$30,000 under $40,000	3.82	6.86	1.48	1.49	1.26	1.30	1.26	1.38	3.45	6.02	3.53	4.89
$40,000 under $50,000	6.14	10.33	1.86	1.85	1.67	1.68	1.67	1.74	3.84	7.22	3.90	5.39
$50,000 under $75,000	5.23	10.43	0.86	0.86	0.73	0.78	0.73	0.86	2.21	13.25	2.09	3.06
$75,000 under $100,000	22.10	39.16	2.51	2.51	2.31	2.36	2.31	2.48	4.68	45.56	4.41	6.92
$100,000 under $200,000	11.96	28.54	2.16	2.16	2.09	2.28	2.09	2.44	4.48	15.09	4.51	4.21
$200,000 under $500,000	14.38	49.49	4.62	4.62	4.87	4.30	4.87	4.55	8.88	26.86	1.82	4.01
$500,000 under $1,000,000	12.41	31.40	14.49	14.50	15.47	13.12	15.47	12.94	24.18	4.31	1.56	3.16
$1,000,000 or more	13.23	16.12	29.04	29.04	24.98	8.79	24.97	8.41	0.59	1.10	0.72	1.28
Nontaxable returns, total	**3.53**	**6.77**	**1.63**	**1.63**	**1.65**	**2.50**	**4.04**	**6.62**	**4.04**	**6.62**	**4.26**	**5.70**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits—Continued											
	Total personal credits—Continued										Foreign tax credit	
	Child care credit		Credit for the elderly and disabled		Political contributions credit		Mortgage interest credit		Earned income credit used to offset income tax before credits		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)
All returns, total	**1.85**	**2.27**	**10.49**	**13.11**	**2.34**	**2.52**	**98.34**	**98.31**	**4.20**	**5.23**	**5.00**	**33.38**
No adjusted gross income	99.13	99.13	0.00	0.00	83.58	52.64	0.00	0.00	0.00	0.00	0.00	0.00
$1 under $5,000	70.70	70.98	57.72	64.00	41.09	45.25	0.00	0.00	32.03	35.73	99.99	99.99
$5,000 under $10,000	8.00	9.63	13.68	17.45	14.51	15.96	0.00	0.00	4.90	5.77	99.99	99.99
$10,000 under $15,000	6.34	7.27	19.80	21.99	10.70	12.46	0.00	0.00	8.66	10.23	38.99	71.57
$15,000 under $20,000	6.69	8.18	33.94	43.89	11.90	13.91	99.99	99.99	0.00	0.00	70.08	78.44
$20,000 under $25,000	6.35	8.04	0.00	0.00	10.31	12.53	0.00	0.00	0.00	0.00	99.98	99.99
$25,000 under $30,000	5.23	6.43	0.00	0.00	9.31	11.03	0.00	0.00	0.00	0.00	44.95	59.94
$30,000 under $40,000	4.24	5.16	0.00	0.00	6.32	7.52	0.00	0.00	0.00	0.00	35.75	88.09
$40,000 under $50,000	4.72	5.73	0.00	0.00	6.60	7.83	0.00	0.00	0.00	0.00	31.82	69.47
$50,000 under $75,000	2.79	3.35	0.00	0.00	3.19	3.89	0.00	0.00	0.00	0.00	36.96	80.89
$75,000 under $100,000	8.64	8.40	0.00	0.00	5.05	5.20	0.00	0.00	0.00	0.00	43.12	98.30
$100,000 under $200,000	4.90	5.71	0.00	0.00	5.27	5.81	71.21	88.16	0.00	0.00	36.96	57.95
$200,000 under $500,000	6.49	7.56	0.00	0.00	1.91	2.09	83.13	75.37	0.00	0.00	50.30	85.98
$500,000 under $1,000,000	7.10	7.96	0.00	0.00	1.60	1.71	58.54	0.72	0.00	0.00	97.52	14.95
$1,000,000 or more	5.22	5.83	0.00	0.00	0.72	0.76	20.33	27.01	0.00	0.00	0.04	0.48
Taxable returns, total	**1.91**	**2.36**	**14.10**	**17.77**	**2.35**	**2.53**	†	†	**6.40**	**7.88**	**5.76**	**37.91**
No adjusted gross income	0.00	0.00	0.00	0.00	88.73	61.48	0.00	0.00	0.00	0.00	0.00	0.00
$1 under $5,000	0.00	0.00	0.00	0.00	50.46	54.28	0.00	0.00	0.00	0.00	99.99	99.99
$5,000 under $10,000	19.32	24.05	21.44	28.20	16.31	17.64	0.00	0.00	9.15	9.83	99.99	99.99
$10,000 under $15,000	7.40	8.50	22.50	25.31	10.87	12.66	0.00	0.00	9.04	10.51	43.12	82.43
$15,000 under $20,000	6.85	8.35	33.94	43.89	11.90	13.92	†	†	0.00	0.00	70.08	78.44
$20,000 under $25,000	6.35	8.04	0.00	0.00	10.32	12.58	0.00	0.00	0.00	0.00	99.99	99.99
$25,000 under $30,000	5.23	6.43	0.00	0.00	9.31	11.03	0.00	0.00	0.00	0.00	44.95	59.94
$30,000 under $40,000	4.25	5.18	0.00	0.00	6.34	7.55	0.00	0.00	0.00	0.00	38.99	58.54
$40,000 under $50,000	4.72	5.73	0.00	0.00	6.60	7.83	0.00	0.00	0.00	0.00	31.82	69.47
$50,000 under $75,000	2.79	3.35	0.00	0.00	3.19	3.89	0.00	0.00	0.00	0.00	36.96	80.89
$75,000 under $100,000	8.64	8.40	0.00	0.00	5.05	5.20	0.00	0.00	0.00	0.00	43.12	98.30
$100,000 under $200,000	4.90	5.71	0.00	0.00	5.28	5.82	†	†	0.00	0.00	36.96	57.97
$200,000 under $500,000	6.49	7.56	0.00	0.00	1.91	2.09	†	†	0.00	0.00	50.62	97.54
$500,000 under $1,000,000	7.10	7.96	0.00	0.00	1.60	1.71	†	†	0.00	0.00	97.86	37.21
$1,000,000 or more	5.22	5.83	0.00	0.00	0.72	0.76	†	†	0.00	0.00	0.04	0.05
Nontaxable returns, total	**6.88**	**8.52**	**15.75**	**19.47**	**24.78**	**27.58**	†	†	**5.65**	**7.08**	**69.10**	**28.49**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits—Continued											
	General business credits										Other tax credits [2]	
	Total		Investment credit [1]		Jobs credit		Alcohol fuel credit		Low-income housing credit			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)	(167)	(168)	(169)
All returns, total	**5.16**	**3.91**	**5.25**	**8.88**	**28.18**	**15.73**	**85.36**	**51.76**	**31.51**	**26.06**	**6.15**	**6.82**
No adjusted gross income	28.49	36.17	24.06	18.25	20.09	46.45	0.00	0.00	90.22	79.08	52.61	44.42
$1 under $5,000	70.58	79.24	36.58	42.31	0.00	0.00	0.00	0.00	0.69	0.73	99.99	99.99
$5,000 under $10,000	27.39	44.78	23.90	53.78	0.00	0.00	0.00	0.00	99.98	99.98	27.38	37.42
$10,000 under $15,000	28.36	43.19	31.09	52.83	70.82	78.56	0.00	0.00	99.97	99.97	26.42	28.89
$15,000 under $20,000	30.98	42.12	29.09	48.36	0.00	0.00	0.00	0.00	99.92	99.92	27.32	29.34
$20,000 under $25,000	22.93	35.41	25.23	41.60	98.61	93.84	0.00	0.00	72.61	93.41	34.16	39.03
$25,000 under $30,000	23.32	39.09	24.98	36.73	0.00	0.00	0.00	0.00	99.13	99.13	22.27	27.17
$30,000 under $40,000	16.48	30.76	17.00	59.77	99.26	1.30	0.00	0.00	72.41	81.14	20.98	25.91
$40,000 under $50,000	17.91	47.09	17.78	29.81	72.89	75.92	0.00	0.00	0.00	0.00	25.50	37.96
$50,000 under $75,000	8.87	17.65	9.49	27.39	38.43	45.00	0.00	0.00	46.16	51.29	14.19	21.18
$75,000 under $100,000	9.63	15.97	9.72	24.02	32.72	75.52	99.79	99.79	53.65	61.87	17.07	23.09
$100,000 under $200,000	4.69	8.87	4.85	10.50	26.44	60.33	83.94	83.47	38.58	44.87	9.72	16.81
$200,000 under $500,000	3.29	6.87	3.41	7.35	14.20	25.00	81.66	0.00	28.69	26.11	5.94	10.72
$500,000 under $1,000,000	2.33	5.15	2.41	7.11	9.12	19.43	59.02	65.51	24.52	19.67	4.15	7.61
$1,000,000 or more	0.95	1.44	0.99	1.86	2.65	5.84	27.01	27.32	9.50	12.73	1.79	2.62
Taxable returns, total	**5.27**	**3.73**	**5.44**	**10.29**	**15.22**	**17.27**	**85.36**	**51.76**	**45.50**	**21.25**	**9.76**	**7.13**
No adjusted gross income	27.90	46.63	42.66	13.88	55.86	9.00	0.00	0.00	56.42	79.65	49.00	68.83
$1 under $5,000	0.00	0.00	67.99	53.52	0.00	0.00	0.00	0.00	0.69	0.73	0.00	0.00
$5,000 under $10,000	38.86	65.70	41.40	63.63	0.00	0.00	0.00	0.00	0.00	0.00	45.78	53.59
$10,000 under $15,000	32.29	60.31	35.72	65.66	0.00	0.00	0.00	0.00	0.00	0.00	36.76	37.16
$15,000 under $20,000	37.92	46.11	35.35	71.96	0.00	0.00	0.00	0.00	0.00	0.00	51.38	60.22
$20,000 under $25,000	25.99	39.60	27.79	42.88	99.75	99.75	0.00	0.00	0.00	0.00	54.70	63.26
$25,000 under $30,000	23.41	39.14	25.84	46.53	0.00	0.00	0.00	0.00	99.13	99.13	29.13	39.62
$30,000 under $40,000	17.22	29.59	17.82	76.50	99.26	1.30	0.00	0.00	73.01	81.73	24.38	30.47
$40,000 under $50,000	18.00	47.16	17.80	31.20	72.89	75.92	0.00	0.00	0.00	0.00	27.87	43.73
$50,000 under $75,000	8.99	18.22	9.65	28.84	40.13	48.75	0.00	0.00	51.55	59.69	14.26	21.23
$75,000 under $100,000	9.66	15.99	9.75	24.61	32.72	75.52	99.79	99.79	53.74	61.88	17.24	23.71
$100,000 under $200,000	4.70	8.89	4.86	10.52	26.54	60.34	83.94	83.47	33.62	45.51	9.75	16.88
$200,000 under $500,000	3.29	6.87	3.41	7.37	14.24	25.07	81.66	0.00	28.87	26.83	5.94	10.72
$500,000 under $1,000,000	2.33	5.15	2.41	7.15	9.18	19.82	59.02	65.51	25.16	20.32	4.15	7.61
$1,000,000 or more	0.95	1.44	0.99	1.86	2.65	5.84	27.01	27.32	9.50	12.73	1.79	2.62
Nontaxable returns, total	**20.06**	**31.52**	**14.21**	**17.63**	**65.83**	**38.10**	**0.00**	**0.00**	**42.67**	**52.12**	**14.73**	**17.76**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Income tax after personal credits		Income tax after credits		Alternative minimum tax preference (Form 6251)		Alternative minimum tax preference for returns with alternative minimum tax		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(170)	(171)	(172)	(173)	(174)	(175)	(176)	(177)	(178)	(179)	(180)	(181)
All returns, total	**0.30**	**0.85**	**0.30**	**0.86**	**2.10**	**6.46**	**4.95**	**10.65**	**4.89**	**12.68**	**0.30**	**1.02**
No adjusted gross income	47.18	62.79	59.41	70.69	10.31	3.38	19.21	6.00	18.94	5.67	18.29	5.70
$1 under $5,000	3.43	9.41	3.43	9.43	20.05	27.58	46.16	33.67	46.16	35.01	3.43	9.20
$5,000 under $10,000	1.84	2.17	1.84	2.17	20.70	26.89	53.23	46.23	53.23	49.98	1.84	2.17
$10,000 under $15,000	1.70	1.93	1.70	1.93	20.26	31.73	50.85	45.33	50.85	34.33	1.70	1.93
$15,000 under $20,000	1.85	2.04	1.86	2.04	17.47	24.21	42.22	47.37	42.12	60.19	1.86	2.04
$20,000 under $25,000	2.05	2.21	2.05	2.22	15.69	19.98	36.94	31.61	34.91	28.81	2.05	2.22
$25,000 under $30,000	1.75	1.90	1.75	1.90	13.26	18.22	35.72	31.49	35.72	28.92	1.75	1.90
$30,000 under $40,000	1.26	1.38	1.26	1.38	8.88	13.88	20.20	18.96	20.20	20.78	1.26	1.38
$40,000 under $50,000	1.67	1.74	1.67	1.74	6.67	13.14	19.47	19.28	18.52	20.00	1.67	1.74
$50,000 under $75,000	0.73	0.86	0.73	0.84	3.28	6.11	9.82	9.11	9.60	9.25	0.73	0.84
$75,000 under $100,000	2.31	2.48	2.31	2.40	4.96	8.74	13.13	12.69	12.71	12.52	2.30	2.42
$100,000 under $200,000	2.09	2.44	2.09	2.42	3.55	8.47	9.64	12.88	9.44	11.25	2.08	2.52
$200,000 under $500,000	4.87	4.55	4.88	4.48	6.12	2.53	2.93	3.15	2.92	3.40	4.86	4.30
$500,000 under $1,000,000	15.46	12.93	15.48	13.09	18.63	5.51	2.26	2.35	2.25	2.72	15.40	12.62
$1,000,000 or more	24.96	8.40	24.98	8.55	27.59	16.87	51.99	26.65	51.83	46.89	24.89	10.89
Taxable returns, total	**0.30**	**0.85**	**0.30**	**0.86**	**2.13**	**6.66**	**4.95**	**10.65**	**4.89**	**12.68**	**0.30**	**1.02**
No adjusted gross income	57.69	65.83	59.41	70.69	18.82	5.98	19.21	6.00	18.94	5.67	18.29	5.70
$1 under $5,000	3.43	9.43	3.43	9.43	42.41	31.75	46.16	33.67	46.16	35.01	3.43	9.20
$5,000 under $10,000	1.84	2.18	1.84	2.17	30.04	34.14	53.23	46.23	53.23	49.98	1.84	2.17
$10,000 under $15,000	1.70	1.93	1.70	1.93	24.09	35.11	50.85	45.33	50.85	34.33	1.70	1.93
$15,000 under $20,000	1.86	2.04	1.86	2.04	19.49	27.73	42.22	47.37	42.12	60.19	1.86	2.04
$20,000 under $25,000	2.05	2.22	2.05	2.22	16.47	20.83	36.94	31.61	34.91	28.81	2.05	2.22
$25,000 under $30,000	1.75	1.90	1.75	1.90	13.89	19.01	35.72	31.49	35.72	28.92	1.75	1.90
$30,000 under $40,000	1.26	1.38	1.26	1.38	9.00	14.05	20.20	18.96	20.20	20.78	1.26	1.38
$40,000 under $50,000	1.67	1.74	1.67	1.74	6.71	13.21	19.47	19.28	18.52	20.00	1.67	1.74
$50,000 under $75,000	0.73	0.86	0.73	0.84	3.30	6.14	9.82	9.11	9.60	9.25	0.73	0.84
$75,000 under $100,000	2.31	2.48	2.31	2.40	4.98	8.77	13.13	12.69	12.71	12.52	2.30	2.42
$100,000 under $200,000	2.09	2.44	2.09	2.42	3.56	8.49	9.64	12.88	9.44	11.25	2.08	2.52
$200,000 under $500,000	4.88	4.55	4.88	4.48	6.13	2.53	2.93	3.15	2.92	3.40	4.86	4.30
$500,000 under $1,000,000	15.47	12.94	15.48	13.09	18.66	5.51	2.26	2.35	2.25	2.72	15.40	12.62
$1,000,000 or more	24.97	8.41	24.98	8.55	27.62	16.88	51.99	26.65	51.83	46.89	24.89	10.89
Nontaxable returns, total	**12.12**	**13.71**	**0.00**	**0.00**	**10.34**	**4.37**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments			
									Total		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(182)	(183)	(184)	(185)	(186)	(187)	(188)	(189)	(190)	(191)	(192)	(193)
All returns, total	**1.10**	**1.66**	**7.86**	**8.83**	**6.74**	**7.72**	**0.28**	**0.99**	**0.19**	**0.68**	**0.25**	**0.42**
No adjusted gross income	12.61	11.89	43.38	38.79	25.84	31.23	11.06	6.06	7.82	5.46	9.37	7.61
$1 under $5,000	5.84	7.41	45.65	50.37	11.79	13.02	3.05	6.63	1.75	3.14	1.79	2.98
$5,000 under $10,000	4.69	5.73	37.70	39.19	9.04	10.35	1.78	2.15	1.65	1.98	1.75	2.08
$10,000 under $15,000	5.35	6.60	36.60	43.74	41.66	45.42	1.69	1.89	1.69	1.88	1.79	1.98
$15,000 under $20,000	5.20	6.44	36.65	47.09	0.00	0.00	1.85	2.00	1.87	2.00	1.98	2.16
$20,000 under $25,000	5.15	6.89	38.95	47.52	0.00	0.00	2.05	2.17	2.07	2.19	2.16	2.32
$25,000 under $30,000	4.65	6.68	29.32	32.53	0.00	0.00	1.75	1.87	1.75	1.87	1.82	1.97
$30,000 under $40,000	3.55	5.28	19.79	25.29	0.00	0.00	1.26	1.37	1.27	1.37	1.32	1.44
$40,000 under $50,000	4.26	5.57	20.06	24.78	0.00	0.00	1.67	1.72	1.68	1.74	1.73	1.82
$50,000 under $75,000	2.68	3.36	9.96	11.95	0.00	0.00	0.73	0.84	0.74	0.81	0.80	0.88
$75,000 under $100,000	4.11	4.92	19.22	22.38	0.00	0.00	2.30	2.38	2.31	2.63	2.38	2.62
$100,000 under $200,000	5.81	9.27	16.65	40.27	0.00	0.00	2.08	2.52	2.09	2.79	2.17	3.38
$200,000 under $500,000	2.52	3.22	23.05	34.79	0.00	0.00	4.85	4.26	4.88	4.70	4.05	5.56
$500,000 under $1,000,000	45.20	66.07	23.38	44.52	0.00	0.00	15.39	12.97	15.48	21.78	1.03	1.62
$1,000,000 or more	1.24	1.57	11.57	61.72	0.00	0.00	24.88	10.87	24.95	3.14	0.54	0.83
Taxable returns, total	**1.31**	**1.81**	**8.19**	**9.31**	**0.00**	**0.00**	**0.30**	**0.99**	**0.32**	**0.70**	**0.37**	**0.43**
No adjusted gross income	29.97	32.29	80.67	43.14	0.00	0.00	18.29	5.76	17.45	7.35	23.67	12.24
$1 under $5,000	15.67	16.73	0.00	0.00	0.00	0.00	3.43	8.41	3.94	5.50	4.04	5.44
$5,000 under $10,000	6.63	7.84	41.96	43.77	0.00	0.00	1.84	2.19	1.98	2.24	2.10	2.37
$10,000 under $15,000	5.84	7.23	47.13	52.46	0.00	0.00	1.70	1.91	1.75	1.92	1.85	2.03
$15,000 under $20,000	5.42	6.76	38.48	49.67	0.00	0.00	1.86	2.01	1.89	2.03	2.00	2.18
$20,000 under $25,000	5.25	7.14	38.95	47.52	0.00	0.00	2.05	2.18	2.08	2.20	2.17	2.32
$25,000 under $30,000	4.71	6.75	29.32	32.53	0.00	0.00	1.75	1.88	1.76	1.88	1.83	1.97
$30,000 under $40,000	3.58	5.38	19.84	25.56	0.00	0.00	1.26	1.37	1.27	1.37	1.32	1.44
$40,000 under $50,000	4.29	5.63	20.07	24.79	0.00	0.00	1.67	1.72	1.68	1.74	1.74	1.82
$50,000 under $75,000	2.68	3.37	9.97	11.98	0.00	0.00	0.73	0.84	0.74	0.81	0.80	0.88
$75,000 under $100,000	4.13	4.93	19.23	22.38	0.00	0.00	2.30	2.38	2.31	2.63	2.38	2.62
$100,000 under $200,000	5.83	9.29	16.66	40.31	0.00	0.00	2.08	2.52	2.10	2.79	2.17	3.38
$200,000 under $500,000	2.52	3.23	23.30	39.19	0.00	0.00	4.86	4.26	4.89	4.70	4.05	5.56
$500,000 under $1,000,000	45.26	66.12	23.38	44.52	0.00	0.00	15.40	12.97	15.50	21.79	1.04	1.62
$1,000,000 or more	1.25	1.57	11.57	61.72	0.00	0.00	24.89	10.87	24.98	3.14	0.54	0.83
Nontaxable returns, total	**3.82**	**5.23**	**25.85**	**28.04**	**6.74**	**7.72**	**3.90**	**5.80**	**1.57**	**2.68**	**1.64**	**2.78**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Taxpayments—Continued						Earned income credit, refundable portion		Advance earned income credit payments	
	Estimated tax payments		Windfall profit tax overpayment		All other taxpayments [3]		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(194)	(195)	(196)	(197)	(198)	(199)	(200)	(201)	(202)	(203)
All returns, total	**1.52**	**3.74**	**18.73**	**23.71**	**2.78**	**2.10**	**3.06**	**3.50**	**69.61**	**76.30**
No adjusted gross income	15.46	10.43	29.10	23.07	15.97	6.90	33.45	35.44	15.50	20.50
$1 under $5,000	9.81	15.18	99.13	99.13	18.81	22.41	4.95	5.59	0.00	0.00
$5,000 under $10,000	5.43	6.59	51.35	66.10	15.46	25.89	4.13	4.64	0.00	0.00
$10,000 under $15,000	5.23	6.16	99.97	99.08	20.20	24.92	18.66	20.81	0.00	0.00
$15,000 under $20,000	5.20	5.80	93.89	0.00	16.07	22.39	0.00	0.00	0.00	0.00
$20,000 under $25,000	5.55	6.46	65.93	92.68	16.22	32.72	0.00	0.00	0.00	0.00
$25,000 under $30,000	5.67	6.92	72.97	89.76	13.82	20.83	0.00	0.00	0.00	0.00
$30,000 under $40,000	4.56	5.68	90.49	91.67	11.91	15.95	0.00	0.00	0.00	0.00
$40,000 under $50,000	4.98	6.34	54.58	88.86	8.45	13.15	0.00	0.00	0.00	0.00
$50,000 under $75,000	2.62	3.10	30.03	56.48	3.82	6.77	0.00	0.00	99.94	99.94
$75,000 under $100,000	4.65	6.37	39.89	45.71	5.99	17.76	0.00	0.00	99.75	99.75
$100,000 under $200,000	3.65	3.67	16.15	63.30	7.20	13.11	0.00	0.00	99.75	99.75
$200,000 under $500,000	6.96	9.98	12.03	34.79	9.66	3.65	0.00	0.00	83.94	5.09
$500,000 under $1,000,000	21.29	40.95	8.52	10.92	1.67	2.41	0.00	0.00	93.40	93.40
$1,000,000 or more	30.45	7.41	3.89	3.15	0.73	0.47	0.00	0.00	0.46	0.80
Taxable returns, total	**1.58**	**3.81**	**18.05**	**27.18**	**2.89**	**2.12**	**0.00**	**0.00**	**70.05**	**77.58**
No adjusted gross income	23.41	14.66	49.40	8.82	24.59	8.63	0.00	0.00	0.00	0.00
$1 under $5,000	16.64	26.91	99.13	99.13	41.06	41.21	0.00	0.00	0.00	0.00
$5,000 under $10,000	6.26	7.28	0.00	0.00	24.43	35.75	0.00	0.00	0.00	0.00
$10,000 under $15,000	5.36	6.29	99.97	99.08	22.62	29.01	0.00	0.00	0.00	0.00
$15,000 under $20,000	5.28	5.92	93.89	0.00	17.56	23.51	0.00	0.00	0.00	0.00
$20,000 under $25,000	5.60	6.51	98.30	72.65	17.26	35.58	0.00	0.00	0.00	0.00
$25,000 under $30,000	5.72	6.98	96.96	74.50	14.35	21.18	0.00	0.00	0.00	0.00
$30,000 under $40,000	4.59	5.74	90.49	91.67	12.18	16.50	0.00	0.00	0.00	0.00
$40,000 under $50,000	4.99	6.37	55.35	94.83	8.51	13.46	0.00	0.00	0.00	0.00
$50,000 under $75,000	2.63	3.11	30.05	56.49	3.82	6.80	0.00	0.00	99.94	99.94
$75,000 under $100,000	4.67	6.39	39.89	45.71	6.00	17.78	0.00	0.00	99.75	99.75
$100,000 under $200,000	3.66	3.67	16.15	63.30	7.22	13.13	0.00	0.00	99.75	99.75
$200,000 under $500,000	6.97	9.98	12.08	34.81	9.67	3.66	0.00	0.00	83.94	5.09
$500,000 under $1,000,000	21.32	40.96	8.53	10.93	1.68	2.41	0.00	0.00	93.40	93.40
$1,000,000 or more	30.46	7.41	3.90	3.15	0.73	0.47	0.00	0.00	0.46	0.80
Nontaxable returns, total	**6.48**	**7.53**	**40.65**	**26.46**	**9.18**	**9.23**	**3.06**	**3.50**	**15.50**	**20.50**

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 1987 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(204)	(205)	(206)	(207)	(208)	(209)	(210)	(211)	(212)	(213)
All returns, total	**0.32**	**1.08**	**0.35**	**0.71**	**2.70**	**8.53**	**1.08**	**4.81**	**3.23**	**4.67**
No adjusted gross income	8.35	6.54	8.76	7.22	21.63	10.70	14.70	9.93	25.64	18.74
$1 under $5,000	1.76	2.94	1.77	2.90	16.12	29.42	4.94	11.46	31.17	39.36
$5,000 under $10,000	1.75	2.37	1.78	2.40	9.12	14.19	3.76	5.24	13.43	15.79
$10,000 under $15,000	1.86	2.52	1.91	2.54	8.71	13.76	4.15	5.75	11.13	13.18
$15,000 under $20,000	2.12	2.73	2.16	2.79	9.32	12.44	4.21	6.15	11.47	14.99
$20,000 under $25,000	2.35	3.06	2.41	3.10	9.36	13.41	4.46	6.48	11.48	16.18
$25,000 under $30,000	2.03	2.73	2.08	2.77	9.48	12.35	4.27	6.57	12.61	17.16
$30,000 under $40,000	1.56	2.20	1.60	2.17	7.66	14.17	3.16	5.14	8.44	11.17
$40,000 under $50,000	2.04	2.72	2.08	2.66	9.23	18.14	3.41	5.31	9.25	15.35
$50,000 under $75,000	1.04	1.60	1.09	1.66	4.14	5.96	1.89	3.01	5.99	8.37
$75,000 under $100,000	3.46	6.26	3.48	5.90	9.36	17.30	3.18	5.00	9.62	10.75
$100,000 under $200,000	3.46	5.65	3.51	7.76	7.74	5.27	3.01	3.80	4.00	20.49
$200,000 under $500,000	7.88	5.94	10.09	4.01	13.62	10.76	6.34	3.65	3.30	6.79
$500,000 under $1,000,000	33.62	52.30	42.92	4.26	42.39	63.56	1.23	1.76	2.96	5.37
$1,000,000 or more	0.82	0.85	1.17	1.74	0.94	0.88	36.66	24.98	1.69	4.57
Taxable returns, total	**0.47**	**1.18**	**0.49**	**0.77**	**2.81**	**8.86**	**1.13**	**4.87**	**3.33**	**4.77**
No adjusted gross income	24.72	12.93	29.32	16.43	32.66	12.39	26.96	10.78	25.40	15.63
$1 under $5,000	4.13	5.84	4.16	5.54	25.27	53.35	6.49	17.94	41.52	41.00
$5,000 under $10,000	2.15	2.75	2.18	2.78	10.87	16.83	4.12	5.81	16.04	18.73
$10,000 under $15,000	1.93	2.56	1.98	2.59	9.01	14.53	4.26	5.95	11.73	13.82
$15,000 under $20,000	2.14	2.78	2.19	2.84	9.42	12.74	4.29	6.33	12.08	15.75
$20,000 under $25,000	2.36	3.07	2.42	3.11	9.48	13.89	4.49	6.54	11.79	16.82
$25,000 under $30,000	2.04	2.73	2.09	2.77	9.58	12.50	4.29	6.64	12.84	17.49
$30,000 under $40,000	1.56	2.21	1.60	2.18	7.73	14.49	3.17	5.17	8.51	11.24
$40,000 under $50,000	2.04	2.72	2.08	2.66	9.32	18.58	3.41	5.32	9.31	15.42
$50,000 under $75,000	1.04	1.60	1.09	1.66	4.15	5.98	1.89	3.01	6.01	8.41
$75,000 under $100,000	3.46	6.29	3.49	5.92	9.41	17.35	3.18	5.00	9.63	10.76
$100,000 under $200,000	3.47	5.69	3.52	7.82	7.77	5.29	3.01	3.80	4.00	20.49
$200,000 under $500,000	7.91	5.98	10.13	4.05	13.64	10.79	6.34	3.65	3.30	6.79
$500,000 under $1,000,000	33.71	52.46	43.02	4.31	42.45	63.65	1.23	1.76	2.96	5.37
$1,000,000 or more	0.83	0.86	1.17	1.78	0.94	0.88	36.66	24.98	1.69	4.58
Nontaxable returns, total	**1.58**	**2.47**	**1.60**	**2.50**	**10.15**	**10.46**	**4.81**	**7.78**	**13.84**	**14.52**

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
1 Includes business energy investment credits.
2 This field has Form 3800 data where we did not receive back-up schedules.
3 Consists of excess social security tax withheld, payments with request for extension of filing time, credit for tax on certain gasoline, fuel, and oil, and credit from regulated investment companies.

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Contributions deduction for nonitemizers	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	**16,550,653**	**133,925,890**	**16,507,742**	**133,516,060**	**5,123,099**	**409,831**	**4,931,275**	**1,059,323**
Under $5,000	7,227,657	18,064,893	7,184,746	17,930,819	1,830,752	134,075	1,082,231	112,086
$5,000 under $10,000	4,023,851	29,973,992	4,023,851	29,888,591	1,129,917	85,401	1,392,135	302,492
$10,000 under $15,000	2,636,474	32,381,449	2,636,474	32,310,564	967,828	70,886	1,120,388	266,183
$15,000 under $20,000	1,663,890	28,671,481	1,663,890	28,614,909	648,394	56,572	796,188	213,170
$20,000 under $25,000	638,867	14,289,395	638,867	14,252,546	324,203	36,849	338,510	97,857
$25,000 under $30,000	242,184	6,529,456	242,184	6,512,977	161,458	16,479	124,455	34,213
$30,000 under $40,000	107,639	3,573,284	107,639	3,565,682	50,456	7,602	70,641	31,796
$40,000 or more	*10,091	*441,940	*10,091	*439,973	*10,091	*1,968	*6,727	*1,527
Taxable returns, total	**11,077,470**	**123,404,047**	**11,077,470**	**123,085,920**	**3,889,232**	**318,127**	**4,235,216**	**978,195**
Under $5,000	1,764,010	7,600,362	1,764,010	7,557,991	576,835	42,371	395,708	56,706
$5,000 under $10,000	4,014,315	29,916,680	4,014,315	29,831,280	1,129,917	85,401	1,382,599	276,744
$10,000 under $15,000	2,636,474	32,381,449	2,636,474	32,310,564	967,828	70,886	1,120,388	266,183
$15,000 under $20,000	1,663,890	28,671,481	1,663,890	28,614,909	648,394	56,572	796,188	213,170
$20,000 under $25,000	638,867	14,289,395	638,867	14,252,546	324,203	36,849	338,510	97,857
$25,000 under $30,000	242,184	6,529,456	242,184	6,512,977	161,458	16,479	124,455	34,213
$30,000 under $40,000	107,639	3,573,284	107,639	3,565,682	50,456	7,602	70,641	31,796
$40,000 or more	*10,091	*441,940	*10,091	*439,973	*10,091	*1,968	*6,727	*1,527
Nontaxable returns, total	**5,473,183**	**10,521,843**	**5,430,272**	**10,430,139**	**1,253,867**	**91,704**	**696,059**	**81,128**

Size of adjusted gross income	Taxable income		Total income tax		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total	**15,187,117**	**115,601,418**	**11,077,470**	**12,898,872**	**16,021,455**	**16,909,033**	**15,467,583**	**4,164,644**	**711,199**	**154,484**
Under $5,000	5,864,121	10,754,586	1,764,010	139,181	6,760,437	1,258,018	6,707,992	1,126,689	157,329	7,852
$5,000 under $10,000	4,023,851	25,326,504	4,014,315	1,945,232	3,971,407	3,048,888	3,790,227	1,149,771	233,624	46,115
$10,000 under $15,000	2,636,474	29,268,256	2,636,474	3,208,314	2,631,707	3,983,917	2,469,610	816,250	166,864	40,647
$15,000 under $20,000	1,663,890	26,661,691	1,663,890	3,565,346	1,659,123	4,184,863	1,587,610	642,643	71,513	23,126
$20,000 under $25,000	638,867	13,501,943	638,867	2,137,687	638,867	2,406,299	595,958	275,687	*38,141	*7,075
$25,000 under $30,000	242,184	6,233,684	242,184	1,106,453	242,184	1,207,244	218,637	107,678	*23,547	*6,886
$30,000 under $40,000	107,639	3,425,238	107,639	692,446	107,639	710,020	87,458	40,356	*20,181	*22,782
$40,000 or more	*10,091	*429,515	*10,091	*104,214	*10,091	*109,785	*10,091	*5,571	—	—
Taxable returns, total	**11,077,470**	**110,464,092**	**11,077,470**	**12,898,872**	**10,905,840**	**16,230,563**	**10,351,988**	**3,486,174**	**711,199**	**154,484**
Under $5,000	1,764,010	5,638,525	1,764,010	139,181	1,654,358	583,476	1,601,913	452,148	157,329	7,852
$5,000 under $10,000	4,014,315	25,305,238	4,014,315	1,945,232	3,961,871	3,044,959	3,780,691	1,145,842	233,624	46,115
$10,000 under $15,000	2,636,474	29,268,256	2,636,474	3,208,314	2,631,707	3,983,917	2,469,610	816,250	166,864	40,647
$15,000 under $20,000	1,663,890	26,661,691	1,663,890	3,565,346	1,659,123	4,184,863	1,587,610	642,643	71,513	23,126
$20,000 under $25,000	638,867	13,501,943	638,867	2,137,687	638,867	2,406,299	595,958	275,687	*38,141	*7,075
$25,000 under $30,000	242,184	6,233,684	242,184	1,106,453	242,184	1,207,244	218,637	107,678	*23,547	*6,886
$30,000 under $40,000	107,639	3,425,238	107,639	692,446	107,639	710,020	87,458	40,356	*20,181	*22,782
$40,000 or more	*10,091	*429,515	*10,091	*104,214	*10,091	*109,785	*10,091	*5,571	—	—
Nontaxable returns, total	**4,109,647**	**5,137,326**	**—**	**—**	**5,115,615**	**678,470**	**5,115,615**	**678,470**	**—**	**—**

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Interest received		Dividends in AGI		Unemployment compensation in AGI	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**17,584,689**	**234,589,878**	**17,270,020**	**232,549,922**	**5,971,913**	**4,166,010**	**663,416**	**403,436**	**1,054,629**	**1,036,046**
Under $5,000	3,394,516	9,493,751	3,184,737	8,692,872	915,377	774,243	138,258	73,301	—	—
$5,000 under $10,000	4,200,260	31,488,206	4,100,138	30,345,326	1,010,730	1,181,321	147,797	128,846	47,676	23,586
$10,000 under $15,000	3,837,924	47,631,916	3,833,156	47,223,716	1,110,854	550,919	100,119	34,737	247,911	192,053
$15,000 under $20,000	2,331,359	40,435,933	2,331,359	40,198,284	891,546	376,209	57,209	31,350	300,359	290,456
$20,000 under $25,000	1,689,911	37,836,800	1,689,911	37,677,252	826,718	460,224	68,708	35,818	230,804	300,244
$25,000 under $30,000	1,049,476	28,719,905	1,049,476	28,944,419	538,193	246,266	43,725	67,027	131,186	133,718
$30,000 under $40,000	861,115	29,260,328	861,115	29,573,153	531,473	390,728	87,461	24,553	77,368	85,066
$40,000 or more	220,128	9,723,039	220,128	9,894,900	147,022	186,100	20,139	7,804	*19,325	*10,923
Taxable returns, total	**12,364,175**	**209,657,114**	**12,240,215**	**208,216,057**	**5,037,461**	**3,523,843**	**544,228**	**340,077**	**1,040,326**	**1,025,385**
Under $5,000	448,152	1,945,025	424,314	1,664,019	214,539	258,764	*38,140	*22,242	—	—
$5,000 under $10,000	2,145,417	16,737,669	2,050,063	15,678,949	786,651	1,055,725	128,727	116,545	*38,140	*14,903
$10,000 under $15,000	3,632,919	45,238,829	3,628,151	44,825,495	1,101,319	549,828	100,119	34,737	243,144	190,075
$15,000 under $20,000	2,317,057	40,195,520	2,317,057	39,957,870	891,546	376,209	57,209	31,350	300,359	290,456
$20,000 under $25,000	1,689,911	37,836,800	1,689,911	37,677,252	826,718	460,224	68,708	35,818	230,804	300,244
$25,000 under $30,000	1,049,476	28,719,905	1,049,476	28,944,419	538,193	246,266	43,725	67,027	131,186	133,718
$30,000 under $40,000	861,115	29,260,328	861,115	29,573,153	531,473	390,728	87,461	24,553	77,368	85,066
$40,000 or more	220,128	9,723,039	220,128	9,894,900	147,022	186,100	20,139	7,804	*19,325	*10,923
Nontaxable returns, total	**5,220,514**	**24,932,764**	**5,029,805**	**24,333,865**	**934,452**	**642,167**	**119,188**	**63,359**	***14,303**	***10,661**

Size of adjusted gross income	Statutory adjustments						Contributions deduction for nonitemizers		Zero bracket amount	
	Total		Payments to an IRA		Deduction for working married couple		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**4,042,850**	**3,565,536**	**903,312**	**1,443,212**	**3,345,245**	**2,122,325**	**7,489,054**	**2,946,971**	**16,287,911**	**44,451,738**
Under $5,000	119,187	46,665	*23,837	*35,795	95,350	10,870	486,291	79,151	2,159,715	3,246,047
$5,000 under $10,000	410,012	190,873	100,117	132,579	314,662	58,294	1,539,936	463,635	4,138,283	10,604,553
$10,000 under $15,000	691,303	369,510	176,402	206,314	533,971	163,196	1,897,501	681,205	3,837,924	10,897,472
$15,000 under $20,000	686,534	460,364	128,724	193,252	562,577	267,112	1,268,183	521,245	2,331,359	6,985,827
$20,000 under $25,000	760,247	636,739	132,910	197,070	663,224	439,669	971,153	468,831	1,689,911	5,452,559
$25,000 under $30,000	625,639	671,524	107,632	203,283	541,552	468,241	649,194	341,462	1,049,476	3,520,253
$30,000 under $40,000	581,924	813,173	154,733	291,393	501,192	521,779	504,555	286,657	861,115	2,972,076
$40,000 or more	168,004	376,689	78,957	183,526	132,717	193,163	172,241	104,785	220,128	772,950
Taxable returns, total	**3,656,684**	**3,448,248**	**855,639**	**1,384,287**	**3,001,985**	**2,063,961**	**6,373,443**	**2,598,480**	**12,364,175**	**36,718,818**
Under $5,000	—	—	—	—	—	—	119,188	15,442	448,152	1,087,865
$5,000 under $10,000	166,869	128,454	81,048	111,475	85,821	16,978	920,152	271,187	2,145,417	5,605,650
$10,000 under $15,000	667,467	361,305	171,635	204,288	514,902	157,018	1,778,312	606,130	3,632,919	10,362,565
$15,000 under $20,000	686,534	460,364	128,724	193,252	562,577	267,112	1,258,648	503,987	2,317,057	6,944,900
$20,000 under $25,000	760,247	636,739	132,910	197,070	663,224	439,669	971,153	468,831	1,689,911	5,452,559
$25,000 under $30,000	625,639	671,524	107,632	203,283	541,552	468,241	649,194	341,462	1,049,476	3,520,253
$30,000 under $40,000	581,924	813,173	154,733	291,393	501,192	521,779	504,555	286,657	861,115	2,972,076
$40,000 or more	168,004	376,689	78,957	183,526	132,717	193,163	172,241	104,785	220,128	772,950
Nontaxable returns, total	**386,166**	**117,288**	**47,673**	**58,925**	**343,260**	**58,363**	**1,115,611**	**348,491**	**3,923,736**	**7,732,920**

Footnote(s) at end of table.

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions		Taxable income		Child care credit		Political contributions credit		Earned income credit used to offset income tax before credits	
	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	**45,220,564**	**48,787,856**	**18,287,911**	**184,708,551**	**2,435,723**	**957,158**	**448,354**	**21,185**	**1,854,377**	**221,571**
Under $5,000	7,084,575	7,633,034	2,159,715	3,578,579	*9,535	*324	*9,535	*224	*33,374	*672
$5,000 under $10,000	10,312,330	11,127,591	4,138,283	19,953,468	553,049	125,394	95,353	4,124	1,225,285	196,341
$10,000 under $15,000	9,878,493	10,659,618	3,837,924	36,291,093	724,675	328,268	123,952	5,254	395,718	24,558
$15,000 under $20,000	6,445,785	6,960,304	2,331,359	32,954,384	414,775	196,708	66,746	2,813	—	—
$20,000 under $25,000	4,876,805	5,263,135	1,689,911	32,104,834	319,978	140,356	47,678	2,622	—	—
$25,000 under $30,000	3,282,989	3,541,995	1,049,476	24,836,447	242,188	94,231	53,821	2,842	—	—
$30,000 under $40,000	2,637,178	2,845,730	861,115	26,127,940	141,271	55,479	33,637	1,968	—	—
$40,000 or more	702,409	756,449	220,128	8,861,805	30,252	16,396	*17,632	*1,338	—	—
Taxable returns, total	**30,717,604**	**33,147,544**	**12,364,175**	**173,911,090**	**1,773,027**	**746,644**	**414,979**	**19,789**	**667,476**	**85,475**
Under $5,000	481,525	518,903	448,152	1,410,681	—	—	*4,767	*167	—	—
$5,000 under $10,000	3,432,676	3,702,523	2,145,417	12,763,959	81,053	16,849	71,513	3,004	295,597	61,446
$10,000 under $15,000	8,967,883	9,676,922	3,632,919	34,955,777	553,045	234,753	119,185	5,015	371,879	24,029
$15,000 under $20,000	6,336,139	6,841,886	2,317,057	32,849,647	405,240	188,579	66,746	2,813	—	—
$20,000 under $25,000	4,876,805	5,263,135	1,689,911	32,104,834	319,978	140,356	47,678	2,622	—	—
$25,000 under $30,000	3,282,989	3,541,995	1,049,476	24,836,447	242,188	94,231	53,821	2,842	—	—
$30,000 under $40,000	2,637,178	2,845,730	861,115	26,127,940	141,271	55,479	33,637	1,968	—	—
$40,000 or more	702,409	756,449	220,128	8,861,805	30,252	16,396	*17,632	*1,338	—	—
Nontaxable returns, total	**14,502,960**	**15,640,313**	**3,923,736**	**10,797,461**	**662,696**	**210,513**	**33,375**	**1,416**	**986,901**	**136,097**

Size of adjusted gross income	Income tax after credits		Taxpayments				Overpayment refunded		Tax due at time of filing	
			Total		Income tax withheld					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	**12,364,175**	**20,592,300**	**16,688,381**	**27,868,542**	**16,688,381**	**27,868,542**	**15,862,851**	**8,754,504**	**1,540,428**	**552,718**
Under $5,000	448,152	35,494	2,836,711	527,348	2,836,711	527,348	2,974,966	938,672	85,817	5,335
$5,000 under $10,000	2,145,417	795,124	3,923,739	2,404,628	3,923,739	2,404,628	3,876,065	2,354,276	286,053	64,386
$10,000 under $15,000	3,632,919	2,964,148	3,790,246	4,776,126	3,790,246	4,776,126	3,566,170	1,903,689	262,219	88,034
$15,000 under $20,000	2,317,057	3,533,363	2,321,823	4,797,654	2,321,823	4,797,654	2,135,886	1,318,910	195,473	54,620
$20,000 under $25,000	1,689,911	3,961,588	1,685,143	4,798,169	1,685,143	4,798,169	1,470,049	931,167	219,862	94,586
$25,000 under $30,000	1,049,476	3,410,160	1,049,476	4,039,255	1,049,476	4,039,255	891,385	689,467	158,091	60,372
$30,000 under $40,000	861,115	4,194,709	861,115	4,609,149	861,115	4,609,149	625,652	517,939	235,463	103,499
$40,000 or more	220,128	1,697,714	220,128	1,716,213	220,128	1,716,213	122,678	100,384	97,450	81,885
Taxable returns, total	**12,364,175**	**20,592,300**	**12,097,187**	**26,116,586**	**12,097,187**	**26,116,586**	**10,814,212**	**8,077,002**	**1,540,428**	**552,718**
Under $5,000	448,152	35,494	386,174	131,485	386,174	131,485	362,335	101,326	85,817	5,335
$5,000 under $10,000	2,145,417	795,124	2,002,389	1,461,999	2,002,389	1,461,999	1,859,364	731,261	286,053	64,386
$10,000 under $15,000	3,632,919	2,964,148	3,585,241	4,582,022	3,585,241	4,582,022	3,361,165	1,705,908	262,219	88,034
$15,000 under $20,000	2,317,057	3,533,363	2,307,521	4,778,293	2,307,521	4,778,293	2,121,584	1,299,549	195,473	54,620
$20,000 under $25,000	1,689,911	3,961,588	1,685,143	4,798,169	1,685,143	4,798,169	1,470,049	931,167	219,862	94,586
$25,000 under $30,000	1,049,476	3,410,160	1,049,476	4,039,255	1,049,476	4,039,255	891,385	689,467	158,091	60,372
$30,000 under $40,000	861,115	4,194,709	861,115	4,609,149	861,115	4,609,149	625,652	517,939	235,463	103,499
$40,000 or more	220,128	1,697,714	220,128	1,716,213	220,128	1,716,213	122,678	100,384	97,450	81,885
Nontaxable returns, total	—	—	**4,591,194**	**1,551,956**	**4,591,194**	**1,551,956**	**4,848,639**	**2,677,502**	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Interest received		Dividends in AGI		Business or profession net income less loss	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	**40,667,008**	**1,725,713,762**	**35,620,895**	**1,375,709,353**	**34,558,705**	**99,825,403**	**10,842,336**	**49,476,068**	**7,294,065**	**73,765,648**
Under $5,000	756,068	2,308,398	296,355	1,930,019	663,014	1,179,827	301,759	240,626	101,839	– 126,311
$5,000 under $10,000	1,621,767	12,568,024	841,133	7,500,530	1,276,171	3,256,815	372,345	673,984	331,111	1,007,140
$10,000 under $15,000	2,441,139	30,867,405	1,739,870	20,997,179	1,863,883	4,550,087	513,362	947,166	489,720	1,706,594
$15,000 under $20,000	3,220,896	56,755,858	2,596,033	42,555,456	2,354,996	6,198,704	545,333	1,327,055	628,041	3,455,517
$20,000 under $25,000	4,005,784	90,088,432	3,548,203	74,973,759	3,033,826	5,569,569	756,809	1,789,221	695,650	4,480,917
$25,000 under $30,000	4,437,840	122,503,595	4,106,843	108,818,284	3,589,812	6,503,144	756,398	1,189,780	711,808	3,885,336
$30,000 under $35,000	4,590,154	149,347,702	4,362,345	136,302,249	3,825,198	5,435,380	884,650	1,541,414	764,570	3,846,137
$35,000 under $40,000	4,052,384	151,677,927	3,824,993	138,315,267	3,515,508	5,520,829	917,098	1,828,699	690,604	5,167,375
$40,000 under $45,000	3,683,477	156,319,051	3,485,400	142,979,620	3,278,584	5,668,030	928,694	2,130,269	548,854	4,176,102
$45,000 under $50,000	2,845,522	134,703,583	2,668,687	122,394,554	2,617,197	5,608,519	788,620	1,760,451	426,747	3,857,813
$50,000 under $55,000	2,026,905	106,249,026	1,908,469	96,583,095	1,872,376	4,363,511	659,344	1,766,808	345,436	3,388,127
$55,000 under $60,000	1,487,474	85,276,457	1,391,559	75,727,687	1,399,704	3,803,680	512,847	1,339,471	272,443	3,586,660
$60,000 under $75,000	2,541,200	168,656,521	2,342,312	145,763,672	2,396,546	7,944,051	1,055,689	3,748,044	520,475	8,292,586
$75,000 under $100,000	1,496,996	127,573,107	1,309,335	98,225,731	1,447,706	9,262,781	821,585	5,043,221	340,739	8,408,645
$100,000 under $200,000	1,032,859	144,079,502	920,269	96,315,355	1,063,074	10,394,111	730,027	6,639,583	313,304	12,987,730
$200,000 under $500,000	283,811	81,073,916	223,883	42,773,687	279,054	6,826,968	224,708	7,585,518	76,989	3,973,176
$500,000 under $1,000,000	51,901	33,311,728	35,340	11,551,090	50,507	3,207,614	43,991	2,137,902	20,271	1,024,220
$1,000,000 or more	31,731	72,353,531	19,866	12,002,116	31,549	4,531,782	29,077	7,786,854	15,464	647,882
Total taxable returns	38,628,679	1,703,130,570	34,441,012	1,359,542,733	32,907,615	94,277,335	10,315,800	48,011,972	6,690,242	71,320,633
Total nontaxable returns	2,038,329	22,583,193	1,179,883	16,166,619	1,651,090	5,548,068	526,536	1,464,094	603,823	2,445,015

Size of adjusted gross income	State income tax refunds		Farm net income less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total	**19,480,920**	**9,367,626**	**989,895**	**– 3,878,893**	**10,522,240**	**116,245,735**	**1,109,427**	**1,232,473**	**7,433,556**	**61,181,583**
Under $5,000	105,608	33,369	32,904	– 99,053	248,473	513,880	27,140	– 190,600	85,591	238,469
$5,000 under $10,000	441,572	100,381	42,471	– 151,640	367,625	459,524	55,303	– 39,643	507,413	1,968,907
$10,000 under $15,000	803,753	222,782	78,101	– 226,978	430,114	600,645	56,579	70,767	636,459	3,913,769
$15,000 under $20,000	1,235,725	338,413	92,944	– 430,569	628,715	1,141,189	73,645	12,109	646,117	4,646,001
$20,000 under $25,000	1,754,140	515,270	125,160	– 496,081	697,347	1,219,920	49,561	6,398	748,411	5,913,591
$25,000 under $30,000	2,188,679	738,842	93,472	– 397,194	767,267	1,311,319	73,601	84,070	647,992	4,930,108
$30,000 under $35,000	2,431,888	802,483	93,829	– 385,726	812,306	1,605,431	97,460	– 43,895	679,714	5,391,907
$35,000 under $40,000	2,277,941	852,407	74,050	– 43,533	847,976	1,784,541	48,311	39,945	615,348	4,197,014
$40,000 under $45,000	2,006,500	801,780	54,282	– 114,078	810,448	1,788,300	78,511	13,066	628,129	5,391,413
$45,000 under $50,000	1,595,286	693,372	51,329	– 99,211	778,116	2,267,430	63,694	23,823	497,514	4,415,057
$50,000 under $55,000	1,117,270	516,344	41,717	11,485	602,364	1,605,000	47,136	110,834	368,955	3,301,317
$55,000 under $60,000	785,385	427,136	36,647	87,189	489,102	1,874,795	37,637	87,931	277,963	2,625,831
$60,000 under $75,000	1,294,503	850,425	48,827	– 196,475	1,056,611	5,258,788	102,213	59,096	521,437	5,635,061
$75,000 under $100,000	736,486	691,401	54,016	– 73,506	860,832	7,835,460	101,110	172,631	300,557	3,898,656
$100,000 under $200,000	532,757	835,509	40,121	– 410,091	798,555	16,905,499	122,117	415,292	218,604	3,405,302
$200,000 under $500,000	130,906	477,044	16,368	– 345,250	247,111	17,488,046	50,579	160,038	42,831	879,015
$500,000 under $1,000,000	29,663	205,042	11,417	– 242,515	48,335	10,844,293	17,762	88,744	6,781	187,609
$1,000,000 or more	12,858	265,625	2,240	– 265,667	30,943	41,741,677	7,068	156,868	3,740	222,536
Total taxable returns	18,883,234	9,094,024	858,669	– 3,286,515	10,006,545	115,025,363	1,005,596	1,400,534	6,906,988	58,641,054
Total nontaxable returns	597,686	273,603	131,226	– 592,379	515,695	1,220,372	103,831	– 168,061	526,568	2,520,509

Size of adjusted gross income	Rent net income less loss		Royalty net income less loss		Partnership and S Corporation net income less loss		Farm rental income less loss		Estate or trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total	**6,101,688**	**– 17,118,295**	**566,485**	**3,835,599**	**4,395,093**	**10,034,794**	**291,286**	**848,467**	**880,553**	**5,779,131**
Under $5,000	93,380	– 326,753	*15,619	*4,677	90,750	– 685,658	*51	* – 1,533	65,104	185,903
$5,000 under $10,000	279,106	– 472,587	39,445	21,787	94,548	– 414,998	*36,325	*46,796	27,111	75,680
$10,000 under $15,000	364,068	– 382,823	31,651	82,829	144,120	– 549,337	*42,385	*50,875	57,095	243,062
$15,000 under $20,000	422,530	– 757,551	56,078	82,201	182,977	– 582,631	*20,214	*89,678	29,818	223,757
$20,000 under $25,000	509,139	– 1,533,840	44,464	62,700	222,173	– 323,080	*22,025	*42,149	40,076	168,321
$25,000 under $30,000	571,066	– 1,849,938	43,141	123,649	276,551	– 228,035	*27,051	*161,225	72,751	349,637
$30,000 under $35,000	455,018	– 1,501,196	41,704	66,828	262,996	16,430	33,550	117,516	51,244	113,514
$35,000 under $40,000	431,808	– 1,222,098	26,987	51,906	294,089	– 262,056	*8,180	*10,926	44,416	234,737
$40,000 under $45,000	416,583	– 1,366,213	26,853	45,121	336,592	– 70,641	*14,362	* – 13,161	60,975	301,331
$45,000 under $50,000	396,511	– 1,140,145	23,066	58,835	255,453	72,359	13,385	– 18,647	29,762	159,570
$50,000 under $55,000	333,977	– 1,098,778	27,125	72,508	214,594	126,166	7,259	11,818	36,783	166,602
$55,000 under $60,000	267,595	– 671,589	23,476	23,910	202,276	414,521	13,359	11,226	20,545	111,162
$60,000 under $75,000	534,241	– 1,209,348	44,858	142,936	472,629	584,994	20,089	79,338	83,204	400,794
$75,000 under $100,000	425,329	– 1,625,590	48,266	205,116	480,874	1,021,464	16,538	59,808	83,763	517,027
$100,000 under $200,000	417,363	– 1,530,698	41,441	397,406	584,958	2,361,413	11,676	112,162	93,929	1,006,231
$200,000 under $500,000	132,985	– 225,917	17,856	385,360	207,580	1,546,422	4,052	95,113	44,971	551,633
$500,000 under $1,000,000	30,429	469,939	11,856	1,759,304	43,086	1,908,744	525	– 4,783	14,597	344,170
$1,000,000 or more	20,760	– 673,169	2,599	248,525	28,867	5,098,699	260	– 2,040	4,409	625,999
Total taxable returns	5,670,359	– 15,387,125	499,360	3,687,618	4,136,998	12,439,017	255,322	793,096	807,009	5,416,931
Total nontaxable returns	431,329	– 1,731,170	67,125	147,981	258,095	– 2,404,223	35,964	55,371	53,544	362,199

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Social Security benefits in AGI		Other income less loss		Total statutory adjustments		Itemized deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total	Medical and dental expense deduction	
										Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
Total	**2,928,825**	**4,329,334**	**2,230,848**	**7,964,726**	**3,487,605**	**4,540,847**	**25,782,898**	**80,009,029**	**447,057,972**	**10,541,784**	**25,112,007**
Under $5,000	—	—	—	—	56,415	−346,761	104,735	249,575	3,153,187	291,414	995,746
$5,000 under $10,000	*11,199	*9,521	*9,535	*14,275	185,573	−1,016,111	294,239	531,271	9,570,477	1,137,276	3,692,782
$10,000 under $15,000	76,446	65,975	*247	*820	162,272	−140,099	734,206	1,462,790	15,317,770	1,436,709	3,747,881
$15,000 under $20,000	240,608	263,820	*12,549	*40,076	248,664	205,762	1,166,192	2,114,331	20,383,333	1,562,768	3,144,657
$20,000 under $25,000	410,247	603,874	85,453	102,410	320,775	502,904	1,922,520	3,805,144	27,000,974	1,383,275	2,494,744
$25,000 under $30,000	468,813	764,385	242,247	398,492	226,005	123,517	2,595,018	4,833,605	33,106,790	1,213,964	1,915,629
$30,000 under $35,000	487,278	753,362	321,628	770,790	278,095	113,067	2,977,974	6,181,301	38,392,776	927,317	1,701,521
$35,000 under $40,000	357,333	551,240	262,569	783,313	320,382	343,933	2,972,048	6,826,452	37,293,301	773,159	1,425,167
$40,000 under $45,000	311,186	456,183	278,752	1,019,007	274,031	332,928	2,902,330	7,226,543	37,484,245	535,575	964,343
$45,000 under $50,000	204,909	330,895	179,911	749,367	291,653	488,719	2,400,956	7,025,631	32,381,497	414,424	1,115,980
$50,000 under $55,000	105,014	143,298	142,503	606,991	187,215	374,384	1,746,464	5,923,370	25,009,444	251,861	595,258
$55,000 under $60,000	88,312	144,670	107,078	458,842	151,274	224,518	1,279,817	5,890,142	20,135,011	158,445	464,276
$60,000 under $75,000	121,547	162,378	201,664	895,653	277,754	529,246	2,221,561	10,447,997	40,647,511	258,745	1,253,585
$75,000 under $100,000	31,602	48,694	171,086	857,051	230,770	698,779	1,268,253	7,724,247	31,636,037	128,075	621,818
$100,000 under $200,000	12,147	25,603	156,672	913,626	189,801	980,839	907,601	7,732,192	34,261,120	60,044	734,774
$200,000 under $500,000	1,990	5,031	46,530	275,415	59,821	691,499	212,428	2,096,960	19,197,582	8,109	220,081
$500,000 under $1,000,000	138	290	7,775	47,340	11,534	213,579	39,927	450,223	6,419,751	494	15,719
$1,000,000 or more	56	116	4,649	31,256	15,571	220,143	16,629	287,255	15,667,168	130	8,048
Total taxable returns	2,909,365	4,306,932	2,199,825	7,870,635	3,223,486	6,053,005	25,146,412	78,601,458	423,166,833	9,117,192	17,873,192
Total nontaxable returns	19,460	22,402	31,023	94,091	264,119	−1,512,158	636,486	1,407,571	23,891,139	1,424,592	7,238,815

Size of adjusted gross income	Itemized deductions—Continued									
	Taxes paid deduction									
	Total		State and local income taxes		Real estate taxes		General sales taxes		Sales taxes on motor vehicles	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
Total	**40,419,958**	**143,446,005**	**33,153,850**	**71,359,976**	**32,925,908**	**39,502,713**	**38,961,575**	**20,780,360**	**13,144,349**	**7,159,128**
Under $5,000	666,255	603,143	292,225	85,724	302,596	334,260	612,924	124,192	65,943	27,466
$5,000 under $10,000	1,563,501	1,751,884	936,109	295,889	1,066,396	970,316	1,474,583	318,611	255,617	107,483
$10,000 under $15,000	2,402,990	3,354,834	1,674,541	706,524	1,748,570	1,590,832	2,260,403	614,008	586,093	296,297
$15,000 under $20,000	3,201,818	5,226,432	2,496,606	1,577,342	2,420,909	2,018,871	3,042,668	964,506	989,540	447,707
$20,000 under $25,000	3,990,646	7,438,632	3,245,507	2,765,387	2,950,727	2,392,867	3,810,076	1,438,425	1,117,311	509,663
$25,000 under $30,000	4,434,476	10,369,306	3,795,984	4,502,226	3,326,484	3,013,915	4,270,795	1,774,534	1,478,048	702,141
$30,000 under $35,000	4,581,606	12,097,485	3,895,368	5,459,060	3,710,754	3,455,483	4,439,020	2,095,232	1,519,740	694,774
$35,000 under $40,000	4,049,019	12,318,328	3,525,138	5,775,536	3,379,506	3,414,891	3,921,454	2,062,543	1,400,283	676,340
$40,000 under $45,000	3,679,500	12,600,649	3,172,795	5,911,021	3,220,999	3,570,944	3,551,126	2,007,189	1,309,996	698,670
$45,000 under $50,000	2,844,686	10,807,240	2,414,768	5,094,072	2,516,161	3,032,074	2,780,372	1,726,608	1,068,638	577,548
$50,000 under $55,000	2,026,896	8,570,428	1,737,065	4,129,139	1,826,340	2,341,931	1,964,216	1,346,596	776,215	458,790
$55,000 under $60,000	1,486,637	7,040,031	1,252,144	3,472,539	1,366,826	1,914,584	1,457,723	1,029,262	576,887	379,103
$60,000 under $75,000	2,540,365	13,918,289	2,173,974	7,010,569	2,333,766	3,843,538	2,489,639	1,994,789	939,393	623,669
$75,000 under $100,000	1,492,903	10,895,917	1,277,630	5,825,100	1,392,554	2,916,249	1,464,971	1,416,669	525,489	413,417
$100,000 under $200,000	1,092,348	12,074,153	952,266	7,240,941	1,015,958	2,894,365	1,070,525	1,270,807	401,935	367,435
$200,000 under $500,000	283,624	6,767,367	237,917	4,834,409	268,201	1,269,529	269,939	409,380	93,158	114,366
$500,000 under $1,000,000	50,975	2,487,873	45,139	2,039,364	48,613	265,794	49,980	98,614	23,615	33,369
$1,000,000 or more	31,708	5,124,013	28,674	4,635,133	30,548	262,270	31,161	98,393	16,448	30,892
Total taxable returns	38,470,070	139,937,752	32,024,832	70,654,937	31,407,240	37,618,825	37,137,905	20,249,206	12,748,773	6,943,544
Total nontaxable returns	1,949,888	3,508,253	1,129,018	705,039	1,518,668	1,883,888	1,823,670	541,154	395,576	215,584

Size of adjusted gross income	Itemized deductions—Continued											
	Taxes paid deduction—Continued				Interest paid deduction							
	Personal property taxes		Other taxes		Total		Home mortgage interest					
							Total		Paid to financial institutions		Paid to individuals	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Total	**11,457,720**	**2,473,977**	**9,072,030**	**2,159,851**	**37,261,499**	**196,566,331**	**29,883,496**	**125,781,713**	**28,119,508**	**120,307,673**	**2,256,523**	**5,474,040**
Under $5,000	93,286	12,356	61,396	19,145	298,391	967,086	205,754	649,066	201,583	631,070	*9,205	*17,995
$5,000 under $10,000	322,249	37,019	215,921	22,566	1,117,655	2,941,265	772,915	1,988,527	740,568	1,881,917	43,639	106,610
$10,000 under $15,000	618,497	93,957	402,755	53,215	2,049,395	6,205,226	1,328,918	3,949,994	1,270,091	3,782,008	98,591	167,986
$15,000 under $20,000	832,622	114,856	663,556	103,150	2,878,040	9,073,224	2,023,509	5,957,405	1,940,630	5,612,498	162,152	344,907
$20,000 under $25,000	1,100,498	169,685	858,280	162,604	3,743,492	12,390,165	2,651,974	7,916,096	2,535,564	7,477,538	237,249	438,558
$25,000 under $30,000	1,112,884	199,368	1,028,289	177,122	4,175,069	15,347,972	3,055,696	9,994,795	2,942,425	9,489,500	281,989	505,295
$30,000 under $35,000	1,283,560	211,245	1,016,827	181,691	4,383,953	18,566,438	3,405,751	12,308,446	3,275,119	11,533,804	288,137	774,642
$35,000 under $40,000	1,150,179	228,202	960,780	160,816	3,877,324	17,676,430	3,064,651	11,700,142	2,955,526	11,255,018	220,028	445,124
$40,000 under $45,000	1,087,109	223,628	870,698	189,197	3,576,432	18,175,763	3,042,366	12,291,815	2,997,831	11,921,566	163,922	370,249
$45,000 under $50,000	884,499	212,754	698,086	164,184	2,722,717	15,424,451	2,267,692	10,206,874	2,209,708	9,864,239	188,417	342,635
$50,000 under $55,000	610,762	164,137	506,621	129,836	1,933,779	11,801,846	1,635,227	7,980,094	1,602,742	7,639,365	122,650	340,729
$55,000 under $60,000	477,706	120,523	387,377	124,020	1,414,494	9,111,283	1,205,981	6,013,211	1,183,020	5,777,790	99,247	235,421
$60,000 under $75,000	848,157	236,510	648,953	209,214	2,398,020	19,054,599	2,072,878	13,004,953	2,032,865	12,487,187	164,036	517,766
$75,000 under $100,000	492,370	157,868	385,075	166,595	1,375,472	14,441,246	1,194,903	9,683,777	1,168,749	9,300,817	96,860	382,960
$100,000 under $200,000	399,806	154,916	266,357	145,689	1,007,567	14,544,525	838,037	8,699,742	826,603	8,373,685	64,718	326,057
$200,000 under $500,000	102,395	75,267	66,800	64,417	249,159	6,193,782	195,778	2,589,725	191,912	2,480,633	12,829	109,092
$500,000 under $1,000,000	24,016	26,368	19,547	24,364	38,670	1,861,683	27,372	496,523	26,858	470,701	1,824	25,822
$1,000,000 or more	17,125	35,298	14,712	62,026	21,870	2,789,346	14,094	350,530	13,714	328,337	1,030	22,192
Total taxable returns	10,992,929	2,391,941	8,787,776	2,079,300	35,663,581	186,698,513	27,744,785	119,647,071	26,912,948	114,489,850	2,158,209	5,157,221
Total nontaxable returns	464,791	82,036	284,254	80,551	1,597,918	9,867,817	1,258,711	6,134,641	1,206,560	5,817,822	98,314	316,819

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued									
	Interest paid deduction—Continued				Contribution deduction					
	Credit card interest		Other interest		Total		Cash contributions			
							Under $3,000 to a single organization		$3,000 or more to a single organization	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)
Total	**26,980,550**	**14,431,093**	**30,102,394**	**58,353,525**	**36,714,257**	**53,815,979**	**35,879,178**	**29,988,885**	**1,479,904**	**10,748,511**
Under $5,000	163,656	61,101	166,991	256,919	388,512	167,005	380,732	147,016	**	**
$5,000 under $10,000	670,501	241,367	683,240	711,371	1,241,705	715,450	1,218,016	596,957	**15,454	**50,153
$10,000 under $15,000	1,369,926	664,759	1,439,230	1,590,474	1,943,905	1,281,614	1,889,752	1,028,689	31,483	121,357
$15,000 under $20,000	1,925,343	843,762	2,102,994	2,272,057	2,803,419	2,025,367	2,705,212	1,572,656	55,522	263,116
$20,000 under $25,000	2,600,289	1,223,382	2,819,954	3,250,688	3,584,938	2,753,161	3,499,676	2,168,280	80,693	318,621
$25,000 under $30,000	3,056,876	1,396,064	3,280,584	3,957,113	3,940,809	3,233,147	3,837,690	2,458,342	96,647	447,842
$30,000 under $35,000	3,229,429	1,700,704	3,596,505	4,557,287	4,197,603	3,603,269	4,090,664	2,622,072	129,931	561,187
$35,000 under $40,000	2,938,392	1,549,572	3,233,726	4,426,716	3,748,618	3,402,025	3,661,509	2,384,425	147,660	641,421
$40,000 under $45,000	2,739,285	1,613,966	3,055,687	4,269,982	3,431,667	3,583,229	3,390,623	2,608,934	125,187	595,495
$45,000 under $50,000	2,149,521	1,220,186	2,377,549	3,997,391	2,713,788	3,088,157	2,650,554	2,092,008	132,130	644,714
$50,000 under $55,000	1,512,220	892,720	1,670,196	2,929,032	1,939,218	2,554,717	1,909,350	1,726,606	93,346	510,251
$55,000 under $60,000	1,096,757	676,713	1,224,497	2,421,360	1,444,457	2,139,542	1,425,118	1,425,008	83,880	434,708
$60,000 under $75,000	1,809,759	1,217,617	2,100,715	4,832,028	2,460,236	4,141,029	2,418,098	2,605,814	143,098	864,424
$75,000 under $100,000	957,998	640,526	1,187,254	4,116,943	1,456,399	3,691,040	1,425,556	2,071,349	130,889	974,872
$100,000 under $200,000	619,333	401,837	888,546	5,442,946	1,061,152	4,567,419	1,033,191	2,271,426	125,424	1,288,301
$200,000 under $500,000	117,239	69,748	219,114	3,534,309	276,547	4,587,794	263,918	1,119,375	62,457	1,025,200
$500,000 under $1,000,000	14,841	9,201	35,352	1,355,959	49,950	1,660,820	48,921	628,374	14,889	476,668
$1,000,000 or more	7,205	7,868	20,258	2,430,948	31,334	6,621,193	30,598	461,556	11,214	1,530,181
Total taxable returns	25,973,784	13,848,028	29,047,608	53,203,414	35,106,526	52,301,484	34,320,603	28,892,978	1,442,541	10,528,795
Total nontaxable returns	1,006,766	583,065	1,054,786	3,150,111	1,607,731	1,514,495	1,558,575	1,095,907	37,363	219,716

Size of adjusted gross income	Itemized deductions—Continued								Excess itemized deductions	
	Contribution deduction—Continued				Net casualty or theft loss		Miscellaneous deductions			
	Other than cash contributions		Carryover from previous years							
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)
Total	**11,515,098**	**10,647,662**	**229,521**	**2,430,921**	**244,375**	**1,331,081**	**33,453,757**	**26,786,589**	**40,169,452**	**313,333,998**
Under $5,000	54,969	14,395	*14,664	*5,585	*17,499	*218,047	331,313	202,160	384,197	1,881,213
$5,000 under $10,000	204,617	44,125	31,456	24,225	*19,330	*36,217	1,071,266	432,879	1,553,876	5,047,094
$10,000 under $15,000	463,046	99,495	*22,871	*32,073	*12,730	*6,294	1,762,531	721,919	2,395,277	8,096,933
$15,000 under $20,000	656,880	169,270	17,685	20,326	42,646	52,604	2,464,850	861,049	3,213,173	10,577,306
$20,000 under $25,000	963,658	248,251	26,203	18,010	48,493	200,668	3,253,715	1,723,602	4,005,784	14,631,254
$25,000 under $30,000	1,105,478	317,461	10,236	9,502	*18,915	*84,390	3,688,469	2,156,345	4,434,476	18,932,890
$30,000 under $35,000	1,206,378	412,129	10,913	7,880	*10,980	*21,051	3,860,928	2,403,013	4,590,154	23,221,914
$35,000 under $40,000	1,177,493	340,592	12,746	35,587	*13,636	*172,809	3,502,895	2,298,543	4,052,384	23,461,458
$40,000 under $45,000	1,073,779	374,749	22,285	4,051	*11,374	*23,546	3,195,311	2,136,715	3,683,477	24,643,868
$45,000 under $50,000	894,246	349,417	8,101	2,018	*11,306	*32,267	2,491,788	1,913,402	2,845,522	22,347,313
$50,000 under $55,000	757,159	308,504	3,521	9,356	12,692	58,375	1,782,832	1,428,821	2,026,905	17,824,627
$55,000 under $60,000	570,492	265,070	4,650	14,756	*5,233	*249,671	1,273,977	1,130,208	1,487,474	14,834,859
$60,000 under $75,000	1,083,346	629,776	10,781	41,015	9,826	57,595	2,221,295	2,222,414	2,541,200	31,623,649
$75,000 under $100,000	680,007	549,720	9,804	95,099	6,213	34,071	1,291,082	1,951,946	1,496,996	26,345,892
$100,000 under $200,000	479,017	885,511	7,644	122,181	3,039	47,347	943,636	2,292,903	1,092,137	30,402,930
$200,000 under $500,000	107,466	888,028	13,088	1,555,191	373	16,445	244,341	1,412,112	283,704	17,690,439
$500,000 under $1,000,000	17,917	448,610	1,487	107,168	54	6,037	44,914	387,618	50,992	6,238,615
$1,000,000 or more	19,248	4,302,559	1,386	326,896	36	13,648	28,624	1,110,920	31,724	15,531,745
Total taxable returns	11,219,162	10,536,009	164,934	2,343,701	210,002	635,018	32,089,696	25,720,874	38,148,382	295,805,944
Total nontaxable returns	295,934	111,652	64,587	87,220	34,373	696,063	1,364,071	1,065,695	2,021,070	17,528,054

Size of adjusted gross income	Unused zero bracket amount		Exemptions		Taxable income		Zero bracket amount	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)
Total	**489,833**	**969,802**	**117,290,594**	**126,581,445**	**39,844,323**	**1,293,208,112**	**39,844,323**	**130,435,888**
Under $5,000	371,871	777,633	1,215,147	1,311,571	525,399	1,641,109	525,399	1,152,437
$5,000 under $10,000	64,935	102,877	3,566,862	3,844,021	1,329,000	5,138,294	1,329,000	3,101,234
$10,000 under $15,000	*41,095	*70,935	6,000,262	6,471,737	2,285,998	17,296,887	2,285,998	6,571,365
$15,000 under $20,000	*7,723	*16,178	8,238,959	8,887,536	3,163,626	37,648,67*	3,163,626	9,576,189
$20,000 under $25,000	—	—	10,328,912	11,142,125	3,979,013	64,587,536	3,979,013	12,261,307
$25,000 under $30,000	*3,364	*649	12,277,268	13,248,270	4,420,735	90,480,068	4,420,735	14,101,011
$30,000 under $35,000	—	—	13,286,232	14,344,382	4,583,031	111,997,467	4,583,031	15,156,279
$35,000 under $40,000	—	—	12,442,514	13,429,413	4,044,198	114,914,868	4,044,198	13,799,859
$40,000 under $45,000	—	—	11,546,298	12,463,694	3,677,815	119,317,370	3,677,815	12,822,883
$45,000 under $50,000	—	—	9,147,775	9,876,356	2,843,774	102,507,484	2,843,774	10,036,660
$50,000 under $55,000	—	—	6,493,067	7,009,552	2,023,860	81,467,098	2,023,860	7,175,344
$55,000 under $60,000	—	—	4,813,845	5,196,421	1,485,658	65,484,193	1,485,658	5,290,802
$60,000 under $75,000	—	—	8,263,973	8,920,351	2,535,651	128,295,033	2,535,651	9,009,681
$75,000 under $100,000	—	—	4,843,417	5,227,300	1,492,944	96,157,112	1,492,944	5,278,641
$100,000 under $200,000	*722	*1,156	3,613,986	3,900,357	1,088,888	109,961,695	1,088,888	3,836,724
$200,000 under $500,000	*107	*146	940,136	1,014,782	282,422	62,551,527	282,422	976,262
$500,000 under $1,000,000	*9	*18	163,005	175,963	50,710	26,975,978	50,710	177,893
$1,000,000 or more	*7	*9	108,936	117,614	31,601	56,777,701	31,601	111,317
Total taxable returns	475,530	936,824	111,302,718	120,127,170	38,599,763	1,288,874,525	38,599,763	127,740,821
Total nontaxable returns	*14,303	*32,778	5,987,876	6,454,275	1,244,560	4,325,587	1,244,560	2,695,067

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax before credits		Total credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
Total	**38,958,497**	**284,177,211**	**9,080,299**	**4,193,931**	**38,582,174**	**279,983,280**	**523,450**	**6,108,625**	**38,628,679**	**286,094,154**
Under $5,000	392,551	63,235	*12,900	*534	392,551	62,701	943	10,680	393,437	73,381
$5,000 under $10,000	883,397	254,256	220,749	31,990	766,196	222,266	1,440	13,260	767,636	235,526
$10,000 under $15,000	2,094,479	1,405,025	420,978	82,500	1,968,951	1,322,526	6,080	18,275	1,971,465	1,340,801
$15,000 under $20,000	3,095,084	3,948,597	443,459	134,200	3,055,655	3,814,397	2,109	28,622	3,056,315	3,843,019
$20,000 under $25,000	3,960,408	7,995,301	737,963	218,862	3,939,885	7,776,439	3,818	24,043	3,942,465	7,800,482
$25,000 under $30,000	4,403,965	12,459,283	937,626	283,672	4,388,422	12,175,610	5,467	27,970	4,389,401	12,203,581
$30,000 under $35,000	4,580,287	16,645,218	972,075	288,289	4,560,543	16,356,930	17,288	84,801	4,563,611	16,441,731
$35,000 under $40,000	4,041,464	18,233,314	943,801	308,291	4,029,790	17,925,024	23,713	70,572	4,031,720	17,995,596
$40,000 under $45,000	3,676,806	20,286,678	805,027	233,920	3,675,896	20,052,757	22,709	55,575	3,677,119	20,108,332
$45,000 under $50,000	2,843,609	18,543,703	759,693	238,115	2,842,315	18,305,587	35,244	127,089	2,843,100	18,432,676
$50,000 under $55,000	2,023,614	15,764,873	528,044	168,523	2,022,565	15,596,350	16,663	55,746	2,024,133	15,652,095
$55,000 under $60,000	1,484,209	13,393,393	399,229	165,063	1,478,568	13,228,330	23,772	129,747	1,483,374	13,358,077
$60,000 under $75,000	2,533,592	28,811,638	743,590	381,722	2,524,779	28,429,916	75,040	341,633	2,534,848	28,771,549
$75,000 under $100,000	1,492,326	24,962,047	499,133	243,994	1,486,470	24,718,052	96,998	574,120	1,493,666	25,292,173
$100,000 under $200,000	1,088,039	35,528,511	452,859	432,422	1,085,633	35,096,090	120,745	1,237,689	1,090,429	36,335,876
$200,000 under $500,000	282,349	25,645,974	153,970	347,976	281,721	25,297,998	45,950	1,068,781	283,354	26,366,795
$500,000 under $1,000,000	50,716	12,470,969	32,629	172,220	50,653	12,298,748	10,262	466,197	50,919	12,764,945
$1,000,000 or more	31,602	27,765,194	16,574	461,637	31,581	27,303,556	15,209	1,773,824	31,687	29,077,518
Total taxable returns	38,605,878	283,931,858	8,727,680	3,948,578	38,582,174	279,983,280	523,450	6,108,625	38,628,679	286,094,154
Total nontaxable returns	352,619	245,353	352,619	245,353	—	—	—	—	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.

Table 2.2—Returns With Itemized Deductions: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	40,667,008	1,725,713,762	28,247,663	1,367,194,877	315,040	10,697,306	3,083,410	84,556,290	50,655	1,626,525	8,970,240	261,638,764
Salaries and wages	35,620,895	1,375,709,353	25,801,365	1,115,394,941	259,901	6,432,030	2,859,884	71,012,285	46,755	1,172,780	6,652,990	181,697,317
Interest received	34,558,705	99,825,403	24,512,238	67,733,025	209,688	828,512	2,249,550	3,743,411	50,655	149,422	7,536,574	27,371,032
Dividends in AGI	10,842,336	49,476,066	7,336,698	30,722,949	79,155	679,473	549,686	1,501,398	13,647	50,879	2,863,150	16,521,367
State income tax refunds	19,480,920	9,367,626	14,438,508	7,294,595	124,066	64,954	1,462,526	535,949	29,544	19,726	3,426,276	1,452,402
Alimony received	285,761	2,568,338	†	†	†	†	157,221	1,660,185	—	—	78,774	806,906
Business or profession:												
Net income	5,367,820	84,242,163	4,506,920	71,906,392	29,038	761,313	230,438	2,677,906	4,609	72,757	596,815	8,823,794
Net loss	1,926,245	10,476,515	1,579,341	8,613,052	9,042	107,531	84,584	277,370	*13	*2,348	253,265	1,476,214
Sales of capital assets:												
Net gain	8,800,414	118,910,126	6,263,462	94,793,347	68,374	1,811,577	424,938	3,312,835	3,637	63,959	2,040,003	18,928,408
Net loss	1,721,826	2,664,391	1,270,965	1,957,000	7,255	3,557	47,916	81,880	*5,703	*10,083	389,987	611,870
Sales of property other than capital assets	1,109,427	1,232,473	900,688	1,152,974	12,871	60,890	27,899	– 80,994	*206	* – 1,108	167,763	100,710
Pensions and annuities in AGI	7,433,556	61,161,563	5,381,711	47,687,362	49,283	406,916	400,984	2,031,408	9,790	109,145	1,591,788	10,926,732
Rent net income less loss	6,101,688	– 17,118,295	4,643,590	– 14,478,937	31,133	– 8,399	252,632	– 574,758	5,642	– 1,723	1,168,691	– 2,054,477
Royalty net income less loss	566,485	3,835,599	399,478	3,274,903	1,679	39,965	24,899	58,665	*1,327	*1,470	139,102	460,596
Farm rental income less loss	291,286	848,467	189,140	468,698	*4,770	* – 661	22,883	7,757	—	—	74,493	372,673
Partnership and S Corporation net income less loss	4,395,093	10,034,794	3,470,396	8,962,987	28,362	– 91,459	127,967	68,557	5,596	– 40,734	762,772	1,135,444
Estate or trust net income less loss	860,553	5,779,131	443,884	2,569,540	3,451	113,110	45,848	282,092	*303	*7,964	367,087	2,806,424
Farm net income less loss	989,895	– 3,878,893	866,382	– 3,570,193	316	– 33,328	22,601	76,984	*1,269	* – 9,784	99,327	– 342,573
Unemployment compensation in AGI	2,928,825	4,329,334	2,375,272	3,572,104	*9,535	*12,261	161,922	256,189	*12,909	*29,299	369,187	459,481
Social Security benefits in AGI	2,230,848	7,964,726	1,477,099	5,665,802	45,877	100,956	71,412	201,775	*6,802	*20,929	629,658	1,975,264
Other income less loss	3,487,605	4,540,847	2,727,672	3,673,074	37,052	– 44,799	196,247	444,638	5,330	50,061	521,304	417,872
Total statutory adjustments	25,762,898	80,009,029	21,851,113	69,163,268	95,893	326,903	850,706	2,303,616	29,599	56,088	2,935,587	8,159,155
Payments to an IRA	11,718,118	29,925,476	9,016,456	25,047,067	50,542	93,136	649,144	1,159,511	16,458	32,916	1,985,518	3,592,845
Payments to a Keogh plan	674,804	5,866,914	544,591	5,103,617	6,049	33,906	20,487	113,259	*621	*1,673	103,056	614,458
Alimony paid	443,787	3,342,496	276,846	1,913,324	3,293	59,504	31,715	287,499	—	—	131,933	1,082,168
Deduction for a working married couple	17,770,060	21,523,855	17,770,060	21,523,855	—	—	—	—	—	—	—	—
Total itemized deductions	40,667,008	447,057,972	28,247,663	349,093,755	315,040	3,030,317	3,083,410	23,535,184	50,655	479,091	8,970,240	70,919,625
Medical and dental expense deduction	10,541,784	25,112,007	7,193,944	14,700,535	86,537	244,803	979,251	1,393,292	23,163	42,309	2,258,889	8,731,068
Taxes paid deduction	40,419,958	143,446,005	28,214,019	112,056,515	310,271	952,523	3,069,103	7,594,395	50,655	169,326	8,775,910	22,673,247
Interest paid deduction	37,261,499	196,566,331	26,980,221	159,844,317	258,217	1,135,785	2,924,013	10,666,606	46,652	206,200	7,052,396	24,713,423
Contributions deduction	36,714,257	53,815,979	26,337,573	42,677,028	263,164	422,791	2,761,266	2,187,995	50,647	37,140	7,301,607	8,491,025
Net casualty or theft loss	244,375	1,331,081	136,121	1,057,855	*894	*5,654	*19,309	*35,046	—	—	88,051	232,526
Miscellaneous deductions	33,453,767	26,786,569	23,741,028	18,757,505	249,830	268,761	2,517,824	1,657,850	50,059	24,117	6,895,026	6,078,336
Excess itemized deductions	40,169,452	313,333,998	28,244,707	245,430,207	307,318	2,460,353	3,083,410	15,889,049	50,655	293,197	8,483,362	49,261,191
Unused zero bracket amount	489,833	969,602	—	—	*2,955	*4,814	—	—	—	—	486,878	964,788
Taxable income	39,844,323	1,293,200,112	27,769,404	1,019,867,005	292,143	7,854,735	3,040,485	60,738,004	50,655	1,193,159	8,691,636	203,547,210
Total tax credits	9,080,299	4,193,931	7,141,598	3,537,569	33,937	30,480	1,022,698	374,295	13,718	4,722	868,348	246,865
Child care credit	4,990,491	1,852,563	4,232,561	1,535,892	*5,861	*5,114	716,747	299,822	*7,070	*1,910	28,252	9,825
Credit for the elderly and disabled	64,265	11,612	*20,215	*3,679	—	—	—	—	—	—	44,050	7,933
Political contributions credit	3,445,041	191,112	2,579,338	158,076	24,141	1,053	204,738	7,648	3,598	52	633,226	24,283
Foreign tax credit	313,739	383,656	218,310	344,915	†	†	23,813	5,533	†	†	71,549	26,016
Earned income credit used to offset income tax before credits	203,485	19,638	68,371	4,599	—	—	132,158	14,938	*2,956	*101	—	—
Mortgage interest credit	4,849	1,790	*67	*28	—	—	—	—	—	—	*4,782	*1,762
General business credit	484,580	1,024,252	386,103	874,496	1,030	11,862	17,279	26,719	*500	*2,389	79,668	108,785
Income tax after credits	38,582,174	279,983,280	27,071,835	223,085,835	279,520	2,277,510	2,866,003	10,364,989	47,697	219,537	8,317,119	44,035,409
Alternative minimum tax	523,450	6,108,625	366,514	4,924,824	3,121	81,288	34,997	188,747	*564	*2,865	118,254	910,901
Total income tax	38,628,679	286,094,154	27,109,206	228,012,764	279,965	2,350,878	2,868,395	10,553,736	47,697	222,402	8,323,396	44,946,374
Total tax liability	39,150,048	295,811,311	27,505,500	236,302,528	287,770	2,436,809	2,894,844	10,871,442	50,655	229,283	8,411,279	45,971,249
Total taxpayments	39,067,052	306,199,100	27,658,357	241,112,002	294,292	2,247,636	2,989,546	13,365,024	50,654	253,731	8,074,203	49,520,706
Income tax withheld	35,863,398	– 230,683,279	25,924,425	184,119,099	260,333	1,073,096	2,859,349	11,401,271	46,412	198,669	6,772,879	33,891,144
Estimated tax payments	6,293,265	57,668,734	4,146,331	42,374,714	58,102	832,650	253,327	1,482,847	8,106	35,420	1,827,399	12,943,103
Overpayment refunded	28,617,664	46,817,789	19,983,049	34,739,533	167,898	235,333	2,515,999	3,622,173	27,524	49,415	5,923,194	8,171,334
Tax due at time of filing	10,099,074	43,324,977	7,212,523	35,340,717	121,597	534,873	479,362	1,267,806	19,755	28,213	2,265,837	6,153,369

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for age 65 or over				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**103,045,170**	**245,752,978**	**150,973,571**	**12,951,451**	**17,395,778**	**303,598,379**	**10,200,961**	**51,006,241**
Under $5,000	16,945,160	25,965,248	19,044,986	1,435,508	1,746,856	481,601	82,133	34,351
$5,000 under $10,000	15,910,313	31,175,745	19,529,124	3,198,436	3,957,143	24,046,951	2,041,216	521,683
$10,000 under $15,000	13,706,052	30,220,131	18,199,243	2,416,273	3,252,111	29,757,604	2,251,099	1,473,895
$15,000 under $20,000	11,290,251	26,505,543	15,955,459	1,724,317	2,446,227	30,035,224	1,686,054	2,224,048
$20,000 under $25,000	9,221,431	23,168,666	14,096,285	1,049,451	1,575,058	23,238,494	1,043,454	2,074,813
$25,000 under $30,000	7,559,001	20,880,582	12,354,185	622,044	880,416	17,100,970	614,688	1,868,729
$30,000 under $35,000	6,407,992	18,287,061	10,926,736	490,800	647,380	15,888,625	479,306	1,932,433
$35,000 under $40,000	5,081,637	15,487,958	9,093,568	381,622	533,796	14,333,274	377,435	2,018,708
$40,000 under $45,000	4,259,298	13,278,895	7,872,322	352,455	472,820	15,031,018	351,418	2,174,582
$45,000 under $50,000	3,199,478	10,180,941	5,997,023	237,262	348,440	11,268,294	237,211	1,764,626
$50,000 under $55,000	2,175,830	6,929,024	4,115,034	168,030	238,931	8,787,491	168,022	1,575,093
$55,000 under $60,000	1,587,094	5,109,847	3,020,886	136,200	195,445	7,788,186	135,587	1,457,625
$60,000 under $75,000	2,664,901	8,636,742	5,089,793	259,362	382,882	17,199,916	256,427	3,435,604
$75,000 under $100,000	1,546,776	5,019,140	2,919,748	203,020	302,797	17,431,139	201,633	4,114,878
$100,000 under $200,000	1,115,593	3,679,383	2,094,423	189,248	291,461	25,871,788	187,946	7,530,115
$200,000 under $500,000	290,946	954,220	528,438	63,312	91,744	17,794,619	63,245	5,845,542
$500,000 under $1,000,000	51,558	164,562	96,342	17,891	22,889	10,915,566	17,879	4,258,773
$1,000,000 or more	31,859	109,290	59,976	6,220	9,380	16,627,619	6,208	6,700,742
Total taxable returns	**83,987,413**	**203,806,918**	**126,595,101**	**10,200,961**	**13,703,151**	**291,182,295**	**10,200,961**	**51,006,241**
Total nontaxable returns	**19,077,757**	**41,947,059**	**24,378,470**	**2,750,490**	**3,692,625**	**12,416,084**	—	—

Size of adjusted gross income	Exemptions for blindness					Exemptions for dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Total				
				Number of returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
									Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	**319,443**	**321,264**	**7,049,624**	**252,457**	**953,675**	**39,548,392**	**77,062,367**	**1,240,729,324**	**32,832,937**	**174,975,986**
Under $5,000	32,779	32,779	77,208	*3	*479	2,763,375	5,140,627	– 15,518,613	39,185	168,586
$5,000 under $10,000	74,469	74,469	575,757	*41,097	*12,543	4,086,264	7,615,009	31,066,367	987,846	235,028
$10,000 under $15,000	61,980	61,980	748,315	61,980	34,313	4,487,566	8,706,797	56,323,548	3,896,501	2,322,618
$15,000 under $20,000	*33,372	*33,372	*596,810	*33,372	*33,178	4,094,767	8,070,485	71,405,118	3,936,852	4,521,133
$20,000 under $25,000	*33,374	*33,374	*741,982	*33,374	*54,319	3,877,831	7,463,949	87,068,103	3,816,983	6,871,586
$25,000 under $30,000	*10,092	*10,092	*269,107	*10,092	*21,577	3,777,903	7,635,889	104,004,327	3,745,894	9,494,557
$30,000 under $35,000	*20,183	*20,183	*665,476	*20,183	*78,081	3,423,188	6,692,762	111,282,971	3,406,698	11,442,205
$35,000 under $40,000	*15,551	*15,551	*582,922	*15,551	*80,535	2,959,856	5,845,043	110,487,933	2,945,095	12,275,538
$40,000 under $45,000	*12,683	*14,503	*556,613	*12,683	*72,922	2,507,869	4,919,250	106,334,033	2,500,761	12,897,489
$45,000 under $50,000	*5,034	*5,034	*248,548	*5,034	*43,733	1,954,155	3,830,444	92,513,596	1,952,041	12,095,231
$50,000 under $55,000	*4,566	*4,566	*243,058	*4,566	*39,907	1,328,194	2,570,493	69,569,067	1,326,936	9,628,864
$55,000 under $60,000	*2,508	*2,508	*140,782	*2,508	*27,223	961,584	1,891,008	55,151,977	958,099	8,226,773
$60,000 under $75,000	*7,078	*7,078	*466,721	*6,242	*70,806	1,621,416	3,176,989	107,491,041	1,618,550	17,210,350
$75,000 under $100,000	*836	*836	*68,284	*836	*14,853	888,995	1,795,759	75,849,573	887,742	13,972,530
$100,000 under $200,000	3,624	3,624	473,961	3,622	136,261	622,058	1,289,875	81,716,391	620,795	19,358,370
$200,000 under $500,000	1,102	1,102	319,430	1,102	128,189	152,454	332,936	43,047,256	152,142	13,719,887
$500,000 under $1,000,000	136	136	88,121	136	32,745	21,549	45,195	14,540,050	21,500	5,464,641
$1,000,000 or more	76	77	186,529	76	72,012	19,348	39,857	38,396,584	19,317	15,070,580
Total taxable returns	**252,457**	**254,278**	**6,713,075**	**252,457**	**953,675**	**32,832,937**	**63,253,389**	**1,218,704,485**	**32,832,937**	**174,975,986**
Total nontaxable returns	**66,986**	**66,986**	**336,549**	—	—	**6,715,455**	**13,808,978**	**22,024,839**	—	—

Footnote(s) at end of table.

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	**36,904,724**	**70,612,630**	**1,172,055,572**	**30,546,486**	**164,212,530**	**1,546,937**	**2,342,558**	**53,311,272**	**1,383,150**	**8,948,794**
Under $5,000	2,543,117	4,645,716	−15,130,311	34,244	153,706	107,120	147,392	−676,798	4,931	11,789
$5,000 under $10,000	3,680,123	6,742,429	27,891,236	704,986	148,816	119,138	200,802	957,715	71,461	26,046
$10,000 under $15,000	4,013,947	7,624,383	50,284,354	3,434,231	1,927,668	188,471	315,447	2,431,081	178,055	149,835
$15,000 under $20,000	3,773,347	7,311,688	65,816,047	3,620,814	4,038,760	152,260	236,617	2,692,568	151,646	221,210
$20,000 under $25,000	3,602,599	6,851,827	80,885,488	3,541,751	6,198,198	199,273	286,069	4,513,267	199,272	446,566
$25,000 under $30,000	3,550,862	6,991,121	97,694,019	3,519,297	8,768,274	133,891	212,364	3,700,044	133,688	418,209
$30,000 under $35,000	3,251,995	6,270,151	105,752,433	3,235,563	10,727,666	117,600	147,165	3,813,200	115,779	449,796
$35,000 under $40,000	2,835,275	5,528,873	105,802,993	2,821,329	11,627,531	101,490	174,065	3,790,604	101,482	487,858
$40,000 under $45,000	2,428,793	4,653,281	102,976,909	2,421,686	12,391,615	75,759	122,103	3,234,364	75,145	478,753
$45,000 under $50,000	1,866,667	3,613,607	88,344,560	1,864,553	11,374,629	69,103	88,217	3,290,190	69,103	558,452
$50,000 under $55,000	1,276,764	2,408,836	66,877,685	1,275,506	9,204,724	58,101	84,174	3,039,052	58,101	443,065
$55,000 under $60,000	919,813	1,764,086	52,746,645	916,339	7,815,871	39,045	61,032	2,249,105	39,043	375,409
$60,000 under $75,000	1,551,177	2,968,357	102,820,743	1,548,363	16,361,743	80,250	118,582	5,397,129	80,232	937,271
$75,000 under $100,000	844,267	1,662,380	72,020,757	843,255	13,179,038	52,208	76,022	4,434,767	52,207	835,261
$100,000 under $200,000	582,737	1,186,554	76,688,402	581,677	18,034,925	43,365	57,277	5,453,215	43,163	1,328,410
$200,000 under $500,000	144,630	310,312	40,803,176	144,336	12,986,800	7,851	12,166	2,207,168	7,837	691,114
$500,000 under $1,000,000	20,142	41,506	13,572,608	20,097	5,093,759	1,228	1,864	842,395	1,223	306,456
$1,000,000 or more	18,469	37,523	36,207,829	18,439	14,178,809	784	1,200	1,942,207	782	783,293
Total taxable returns	**30,546,486**	**57,934,360**	**1,150,851,923**	**30,546,486**	**164,212,530**	**1,383,150**	**2,068,146**	**53,314,827**	**1,383,150**	**8,948,794**
Total nontaxable returns	**6,358,258**	**12,678,270**	**21,203,649**	—	—	**163,787**	**274,412**	**−3,555**	—	—

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
Total	**1,527,512**	**1,744,086**	**43,408,641**	**1,274,123**	**6,205,239**	**1,773,079**	**2,363,113**	**38,714,274**	**1,371,627**	**4,343,723**
Under $5,000	105,051	133,757	−420,820	97	6,215	158,960	213,762	112,192	*16	*3,653
$5,000 under $10,000	190,426	217,220	1,448,284	94,022	26,022	329,452	454,558	2,510,156	141,217	40,238
$10,000 under $15,000	253,403	299,266	3,152,952	209,112	150,553	371,211	467,701	4,701,201	330,116	215,866
$15,000 under $20,000	210,257	238,864	3,597,678	205,488	266,019	232,687	283,316	4,041,013	223,151	265,978
$20,000 under $25,000	145,509	159,813	3,255,190	145,507	288,131	125,144	166,240	2,830,757	122,189	231,188
$25,000 under $30,000	148,198	185,199	4,093,119	147,957	369,683	171,379	247,205	4,781,837	171,379	423,819
$30,000 under $35,000	105,320	113,868	3,405,602	105,319	362,135	112,941	161,578	3,682,749	112,882	372,466
$35,000 under $40,000	89,329	90,165	3,388,565	88,311	387,433	42,780	51,940	1,594,802	42,780	182,329
$40,000 under $45,000	48,799	52,163	2,060,450	47,907	226,862	69,741	91,703	2,965,335	69,128	352,965
$45,000 under $50,000	54,064	59,839	2,589,232	54,064	326,573	45,381	68,781	2,173,115	45,381	288,217
$50,000 under $55,000	33,241	36,139	1,740,311	33,039	247,803	32,430	41,344	1,712,029	32,429	236,728
$55,000 under $60,000	28,644	29,257	1,643,809	28,634	248,576	25,989	36,633	1,502,662	25,988	245,771
$60,000 under $75,000	50,746	56,137	3,391,397	50,695	513,776	25,554	33,913	1,675,631	25,554	275,731
$75,000 under $100,000	32,705	36,912	2,775,742	32,414	505,724	14,770	20,445	1,245,227	14,770	256,749
$100,000 under $200,000	24,916	27,493	3,278,917	24,674	810,504	10,890	18,551	1,417,012	10,890	328,937
$200,000 under $500,000	5,118	5,994	1,506,889	5,099	477,040	3,048	4,464	881,047	3,036	279,798
$500,000 under $1,000,000	1,111	1,224	752,722	1,110	288,950	466	601	315,120	465	116,799
$1,000,000 or more	675	756	1,748,603	674	703,240	256	378	572,389	256	226,491
Total taxable returns	**1,274,123**	**1,442,904**	**42,335,009**	**1,274,123**	**6,205,239**	**1,371,627**	**1,807,979**	**36,528,642**	**1,371,627**	**4,343,723**
Total nontaxable returns	**253,389**	**301,182**	**1,073,632**	—	—	**401,452**	**555,134**	**2,185,632**	—	—

Footnote(s) at end of table.

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of exemptions other than age or blindness: Total					One			
				Total income tax				Total income tax	
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Total	**103,045,170**	**228,035,938**	**2,481,681,048**	**83,967,413**	**367,287,213**	**43,989,309**	**590,970,989**	**33,886,622**	**81,706,675**
Under $5,000	16,945,160	24,185,613	747,860	3,764,298	705,959	13,072,125	25,693,304	3,706,870	390,027
$5,000 under $10,000	15,910,313	27,144,133	119,228,053	11,302,273	4,501,830	9,840,264	72,774,791	9,257,745	4,071,332
$10,000 under $15,000	13,706,052	26,906,040	170,367,883	12,871,560	11,438,531	6,943,908	85,484,888	6,850,192	7,827,195
$15,000 under $20,000	11,290,251	24,025,944	196,731,308	11,064,250	17,340,658	5,081,234	88,276,505	5,048,179	10,234,196
$20,000 under $25,000	9,221,431	21,560,234	206,549,084	9,139,455	20,882,788	3,205,826	71,611,190	3,196,376	9,699,401
$25,000 under $30,000	7,559,001	19,990,074	207,876,373	7,499,447	22,850,962	2,037,675	55,922,769	2,027,662	8,218,648
$30,000 under $35,000	6,407,992	17,619,498	208,147,859	6,373,949	24,763,865	1,435,582	46,579,880	1,431,605	7,384,344
$35,000 under $40,000	5,081,637	14,938,611	190,013,309	5,060,304	23,864,638	791,303	29,603,476	791,243	5,075,771
$40,000 under $45,000	4,259,298	12,791,572	180,738,954	4,249,907	24,113,000	492,108	20,828,207	492,049	3,632,302
$45,000 under $50,000	3,199,478	9,827,467	151,471,909	3,197,056	21,631,224	294,779	13,877,400	294,770	2,678,970
$50,000 under $55,000	2,175,830	6,685,527	114,016,861	2,173,058	17,214,281	182,140	9,532,372	181,527	1,876,771
$55,000 under $60,000	1,587,094	4,911,894	90,974,023	1,582,994	14,572,167	121,227	6,918,058	121,226	1,459,167
$60,000 under $75,000	2,664,901	8,246,782	176,840,884	2,658,549	30,673,386	191,504	12,771,962	188,562	2,894,521
$75,000 under $100,000	1,546,776	4,715,507	131,926,730	1,543,446	26,280,965	136,076	11,750,272	135,453	2,902,221
$100,000 under $200,000	1,115,593	3,384,298	146,973,805	1,113,163	37,289,197	109,398	14,125,260	109,084	4,260,369
$200,000 under $500,000	290,946	861,374	82,840,607	290,429	27,066,736	46,002	13,272,799	45,946	4,262,781
$500,000 under $1,000,000	51,558	141,537	33,670,463	51,467	12,928,118	5,307	3,564,871	5,287	1,405,488
$1,000,000 or more	31,859	99,833	72,565,082	31,808	29,168,908	2,850	8,382,967	2,846	3,433,170
Total taxable returns	**83,967,413**	**189,948,490**	**2,440,231,689**	**83,967,413**	**367,287,213**	**33,886,622**	**573,391,953**	**33,886,622**	**81,706,675**
Total nontaxable returns	**19,077,757**	**38,187,448**	**41,449,377**	—	—	**10,102,686**	**17,579,017**	—	—

Size of adjusted gross income	Number of exemptions other than age or blindness—Continued: Two				Three			
			Total income tax				Total income tax	
	Number of returns	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Total	**25,629,703**	**751,299,275**	**21,571,763**	**122,309,949**	**13,047,814**	**406,802,085**	**10,955,101**	**59,028,422**
Under $5,000	2,125,484	−7,954,465	50,091	155,013	890,969	−4,381,245	4,369	53,484
$5,000 under $10,000	3,268,683	25,159,712	1,597,353	347,705	1,328,355	10,243,352	347,727	67,173
$10,000 under $15,000	3,451,254	43,347,329	3,254,454	2,203,944	1,418,539	17,959,883	1,267,523	807,741
$15,000 under $20,000	2,920,923	51,060,663	2,885,279	3,821,540	1,389,385	24,270,735	1,345,942	1,632,879
$20,000 under $25,000	2,771,656	62,078,484	2,759,977	5,838,211	1,277,479	28,551,955	1,270,023	2,343,463
$25,000 under $30,000	2,161,992	59,500,976	2,142,398	6,509,205	1,216,914	33,463,727	1,205,792	3,320,472
$30,000 under $35,000	1,844,724	59,789,786	1,831,148	7,159,521	1,138,448	37,001,186	1,130,682	3,983,476
$35,000 under $40,000	1,514,762	56,806,410	1,508,250	7,531,647	946,514	35,334,665	944,352	4,274,041
$40,000 under $45,000	1,347,313	57,294,810	1,345,088	8,139,181	890,779	37,757,946	890,759	4,875,756
$45,000 under $50,000	1,016,803	48,237,169	1,016,303	7,429,903	671,037	31,671,554	670,201	4,423,939
$50,000 under $55,000	696,533	36,542,277	695,632	5,985,371	466,119	24,403,292	465,862	3,614,373
$55,000 under $60,000	522,654	29,963,834	522,039	5,089,856	337,190	19,307,531	337,113	3,024,680
$60,000 under $75,000	890,215	59,065,800	889,612	11,031,431	561,616	37,323,976	560,660	6,294,936
$75,000 under $100,000	544,745	46,279,787	543,291	9,841,096	267,204	22,755,551	266,959	4,460,052
$100,000 under $200,000	399,648	53,223,333	398,735	14,270,897	194,924	25,301,022	194,899	6,359,277
$200,000 under $500,000	96,704	27,768,773	96,545	9,515,935	41,989	11,971,657	41,903	3,918,552
$500,000 under $1,000,000	25,484	16,107,726	25,459	6,270,592	6,802	4,622,591	6,790	1,775,919
$1,000,000 or more	10,126	27,016,872	10,109	11,168,898	3,551	9,242,708	3,545	3,798,208
Total taxable returns	**21,571,763**	**742,199,654**	**21,571,763**	**122,309,949**	**10,955,101**	**400,345,625**	**10,955,101**	**59,028,422**
Total nontaxable returns	**4,057,940**	**9,099,621**	—	—	**2,092,713**	**6,456,461**	—	—

Footnote(s) at end of table

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of exemptions other than age or blindness—Continued							
	Four				Five or more			
	Number of returns	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
			Number of returns	Amount			Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Total	**12,484,539**	**457,613,190**	**10,963,952**	**66,776,637**	**7,893,806**	**275,005,526**	**6,589,975**	**37,485,530**
Under $5,000	441,054	−7,000,119	1,890	55,142	415,528	−5,609,615	1,078	52,293
$5,000 under $10,000	858,452	6,424,194	84,000	10,109	594,559	4,626,004	*15,448	*5,511
$10,000 under $15,000	1,162,619	14,454,981	976,382	436,690	729,732	9,120,802	523,009	162,962
$15,000 under $20,000	1,074,779	18,627,315	1,019,144	1,061,879	823,930	14,496,091	765,706	590,163
$20,000 under $25,000	1,222,186	27,539,182	1,189,179	1,991,289	744,284	16,768,273	723,900	1,010,424
$25,000 under $30,000	1,265,925	34,789,878	1,253,831	2,973,452	876,495	24,199,023	869,764	1,829,185
$30,000 under $35,000	1,217,608	39,529,973	1,212,249	3,994,915	771,630	25,247,033	768,265	2,241,609
$35,000 under $40,000	1,167,003	43,529,098	1,161,351	4,651,153	662,055	24,739,660	655,108	2,332,024
$40,000 under $45,000	966,917	41,038,997	962,991	4,874,652	562,181	23,818,994	559,020	2,591,109
$45,000 under $50,000	798,946	37,802,858	798,110	4,750,481	417,913	19,882,928	417,672	2,347,931
$50,000 under $55,000	546,593	28,645,313	546,123	3,857,381	284,445	14,893,607	283,914	1,880,386
$55,000 under $60,000	376,604	21,592,404	374,924	3,167,001	229,419	13,192,196	227,692	1,831,462
$60,000 under $75,000	671,868	44,485,195	670,756	7,023,899	349,698	23,193,952	348,959	3,428,598
$75,000 under $100,000	397,926	34,025,404	397,547	6,279,067	200,825	17,115,716	200,196	2,798,530
$100,000 under $200,000	241,199	31,591,239	240,755	7,293,410	170,424	22,732,950	169,690	5,105,243
$200,000 under $500,000	55,025	15,727,105	54,915	4,966,561	51,226	14,100,274	51,120	4,402,906
$500,000 under $1,000,000	7,751	5,212,883	7,732	1,951,742	6,214	4,162,392	6,199	1,524,378
$1,000,000 or more	12,064	19,597,291	12,073	7,437,815	3,248	8,325,243	3,235	3,330,818
Total taxable returns	**10,963,952**	**453,517,792**	**10,963,952**	**66,776,637**	**6,589,975**	**270,776,645**	**6,589,975**	**37,485,530**
Total nontaxable returns	**1,520,587**	**4,095,399**	—	—	**1,303,831**	**4,228,880**	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for age 65 or over				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	103,045,170	245,752,978	150,973,571	12,951,451	17,395,776	303,598,379	10,200,961	51,006,241
Joint returns of husbands and wives	47,870,191	165,336,336	95,740,382	6,995,023	11,439,348	202,351,829	5,634,766	35,795,858
Separate returns of husbands and wives:								
Total	1,015,006	1,779,484	1,073,216	109,796	109,796	2,914,756	90,642	726,008
Spouse filing	956,796	1,604,636	956,796	†	†	†	†	†
Spouse not filing	58,210	174,848	116,420	†	†	†	†	†
Returns of heads of households	10,278,531	27,015,116	10,278,531	278,542	278,542	5,370,824	224,586	767,939
Returns of surviving spouses	81,926	238,443	81,926	*18,503	*18,503	*281,916	*13,735	*30,048
Returns of single persons	43,799,516	51,383,599	43,799,516	5,549,587	5,549,587	92,679,054	4,237,232	13,686,388

Marital status	Exemptions for blindness					Exemptions for dependents				
				Total income tax		Total				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
									Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	319,443	321,264	7,049,624	252,457	953,675	39,548,392	77,062,367	1,240,729,324	32,832,937	174,975,966
Joint returns of husbands and wives	167,672	169,493	4,694,067	142,667	678,526	28,398,897	57,987,113	1,061,014,813	25,366,042	155,898,903
Separate returns of husbands and wives:										
Total	*58	*58	*21,313	*58	*8,538	357,776	596,414	4,622,734	291,959	777,315
Spouse filing	†	†	†	†	†	335,742	537,987	4,418,913	278,167	759,245
Spouse not filing	†	†	†	†	†	*22,034	*58,427	*203,821	*13,792	*18,070
Returns of heads of households	*5,384	*5,384	*87,893	*5,384	*12,665	9,413,418	16,452,659	146,521,541	6,014,173	13,917,602
Returns of surviving spouses	—	—	—	—	—	81,926	138,014	1,870,685	64,578	249,756
Returns of single persons	146,329	146,329	2,246,351	104,348	253,945	1,296,375	1,888,167	26,699,551	1,096,185	4,132,391

Marital status	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	36,904,724	70,612,630	1,172,055,572	30,546,466	164,212,530	1,546,937	2,342,558	53,311,272	1,383,150	8,948,794
Joint returns of husbands and wives	27,631,073	55,026,916	1,030,101,608	24,682,113	150,389,567	697,906	1,058,585	32,958,737	659,148	5,686,058
Separate returns of husbands and wives:										
Total	298,212	492,789	3,847,332	237,859	659,889	45,320	82,411	660,271	44,610	107,092
Spouse filing	276,178	434,362	3,643,511	224,067	641,819	45,320	82,411	660,271	44,610	107,092
Spouse not filing	*22,034	*58,427	*203,821	*13,792	*18,070	—	—	—	—	—
Returns of heads of households	8,412,641	14,279,713	128,996,662	5,198,024	11,899,043	248,048	400,754	4,646,367	170,400	606,357
Returns of surviving spouses	81,926	132,172	1,870,685	64,578	249,756	*1,075	*1,075	*101,315	*1,075	*17,425
Returns of single persons	480,872	681,040	7,239,286	363,892	1,014,275	554,588	799,733	14,944,582	507,917	2,531,861

Marital status	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
Number of returns	1,527,512	1,744,066	43,408,641	1,274,123	6,205,239	1,773,079	2,363,113	38,714,274	1,371,627	4,343,723
Joint returns of husbands and wives	697,613	808,376	28,375,846	614,886	4,499,837	767,539	1,093,236	23,678,621	642,632	2,943,657
Separate returns of husbands and wives:										
Total	6,601	6,602	95,082	1,830	16,367	14,586	14,612	152,064	9,813	27,713
Spouse filing	6,601	6,602	95,082	1,830	16,367	14,586	14,612	152,064	9,813	27,713
Spouse not filing	—	—	—	—	—	—	—	—	—	—
Returns of heads of households	701,600	772,181	12,949,072	553,510	1,433,550	793,933	1,000,011	11,542,190	564,075	930,130
Returns of surviving spouses	—	—	—	—	—	*4,767	*4,767	*( )	—	—
Returns of single persons	121,698	156,907	1,988,642	103,897	255,485	192,254	250,487	3,341,399	155,107	442,223

Footnote(s) at end of table.

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of exemptions other than age or blindness: Total					One			
				Total income tax				Total income tax	
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Number of returns	103,045,170	228,035,938	2,481,681,046	83,967,413	367,287,213	43,989,308	590,970,969	33,886,622	81,706,675
Joint returns of husbands and wives	47,870,191	153,727,495	1,710,618,197	42,590,214	266,460,002	—	—	—	—
Separate returns of husbands and wives	1,015,006	1,669,630	15,231,848	835,487	3,029,020	621,054	10,231,745	519,846	2,208,232
Total	956,796	1,494,783	14,650,658	798,013	2,967,477	621,054	10,231,745	519,846	2,208,232
Spouse filing	58,210	174,847	581,190	37,474	61,543	—	—	—	—
Spouse not filing	10,278,531	26,731,190	162,224,864	6,726,837	15,853,019	865,113	15,703,323	712,664	1,935,417
Returns of heads of households	81,926	219,940	1,870,685	64,578	249,756	—	—	—	—
Returns of surviving spouses	43,799,516	45,687,683	591,735,452	33,750,297	81,695,416	42,503,141	565,035,902	32,654,112	77,563,026

Marital status	Number of exemptions other than age or blindness—Continued: Two				Three			
			Total income tax				Total income tax	
	Number of returns	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Number of returns	25,629,703	751,289,275	21,571,763	122,309,949	13,047,814	406,802,085	10,955,101	59,028,422
Joint returns of husbands and wives	19,471,294	649,603,384	17,224,172	110,561,099	9,942,000	358,059,995	8,994,025	54,059,498
Separate returns of husbands and wives	230,870	2,946,339	181,928	452,445	94,280	1,262,998	79,186	246,788
Total	194,694	2,568,970	158,246	408,972	†	†	†	†
Spouse filing	36,176	377,369	23,682	43,473	†	†	†	†
Spouse not filing	5,023,592	80,192,587	3,387,348	8,467,034	2,658,919	39,991,040	1,587,559	3,542,011
Returns of heads of households	41,209	867,340	33,469	117,848	28,714	752,459	23,877	101,459
Returns of surviving spouses	862,738	17,679,625	744,846	2,711,523	323,901	6,735,594	270,454	1,078,667

Marital status	Number of exemptions other than age or blindness—Continued: Four				Five or more			
			Total income tax				Total income tax	
	Number of returns	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Number of returns	12,484,539	457,613,190	10,963,952	66,776,637	7,893,806	275,005,526	6,589,975	37,465,530
Joint returns of husbands and wives	11,215,842	437,745,997	10,147,761	65,051,733	7,241,055	265,208,821	6,224,256	36,787,672
Separate returns of husbands and wives	59,130	703,794	49,634	99,479	9,672	86,972	4,893	22,076
Total	41,921	543,356	40,667	82,400	†	†	†	†
Spouse filing	*17,209	*160,438	*8,967	*17,079	†	†	†	†
Spouse not filing	1,120,429	17,240,990	706,251	1,322,407	610,478	9,096,923	333,015	586,150
Returns of heads of households	*8,635	*159,977	*3,866	*20,890	*3,368	*90,910	*3,366	*9,558
Returns of surviving spouses	80,503	1,762,433	56,440	282,127	29,233	521,900	24,445	60,074

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
( ) Less than $500.
NOTE: Detail may not add to total because of rounding.

Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Dividends in adjusted gross income		Total net income less loss from business activities[1]	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**12,951,451**	**303,598,379**	**4,195,667**	**61,223,811**	**12,178,167**	**90,043,593**	**5,049,644**	**30,011,676**	**2,232,807**	**6,516,511**
No adjusted gross income	112,576	−3,883,275	15,907	344,861	92,015	575,815	24,018	190,475	85,682	−3,058,717
$1 under $5,000	1,322,932	4,364,876	287,108	935,027	1,140,808	2,133,062	288,851	317,383	220,076	−367,092
$5,000 under $10,000	3,198,436	24,046,951	886,421	4,247,105	2,936,412	10,822,455	813,322	1,221,419	287,407	123,764
$10,000 under $15,000	2,416,273	29,757,604	761,908	5,713,298	2,260,756	10,757,121	695,290	1,343,860	211,171	356,753
$15,000 under $20,000	1,724,317	30,035,224	562,933	5,593,931	1,686,640	12,132,335	666,947	2,136,366	245,870	179,981
$20,000 under $25,000	1,049,451	23,238,494	365,764	3,943,739	1,004,991	7,797,594	573,023	2,350,978	199,442	344,752
$25,000 under $30,000	622,044	17,100,970	237,600	4,153,588	589,952	5,754,507	308,899	1,146,499	120,562	176,884
$30,000 under $40,000	872,422	30,221,900	358,586	7,188,150	850,418	8,515,612	470,166	2,486,522	201,583	718,336
$40,000 under $50,000	589,717	26,299,313	259,086	6,808,574	584,533	6,796,966	378,508	2,654,243	179,589	883,766
$50,000 under $75,000	563,592	33,775,592	243,926	7,205,705	556,146	8,853,532	425,891	4,339,593	214,048	1,136,290
$75,000 under $100,000	203,020	17,431,139	78,082	3,066,785	201,742	4,457,690	161,850	2,479,794	85,259	882,173
$100,000 under $200,000	189,248	25,871,788	97,333	6,073,926	186,775	4,814,461	163,966	3,343,815	115,896	1,612,584
$200,000 under $500,000	63,312	17,794,619	30,739	3,218,520	62,979	3,286,011	56,312	2,813,088	45,215	954,361
$500,000 under $1,000,000	17,891	10,915,566	6,030	1,124,294	17,813	1,828,788	16,818	1,104,890	15,714	1,134,210
$1,000,000 or more	6,220	16,627,619	4,244	1,606,306	6,187	1,517,640	5,783	2,082,751	5,293	1,438,468
Taxable returns, total	**10,200,961**	**291,182,295**	**3,494,744**	**58,129,109**	**9,767,847**	**82,839,175**	**4,367,594**	**28,557,329**	**1,732,515**	**9,526,903**
No adjusted gross income	3,528	−139,473	1,049	81,068	3,420	107,451	[1] 1,165	40,856	3,528	−468,694
$1 under $5,000	78,605	380,467	*12,490	*38,965	73,837	331,033	*23,207	*24,955	*7,092	*−88,730
$5,000 under $10,000	2,041,216	15,955,733	531,957	2,729,593	1,912,015	7,704,834	522,474	758,040	148,952	135,346
$10,000 under $15,000	2,251,099	27,830,058	727,379	5,502,885	2,105,117	9,931,085	643,114	1,248,481	169,958	345,479
$15,000 under $20,000	1,686,054	29,400,132	**917,338	**9,448,756	1,648,377	11,774,289	645,943	2,078,043	236,213	242,741
$20,000 under $25,000	1,043,454	23,107,312	**	**	998,994	7,778,739	568,252	2,263,571	198,212	376,894
$25,000 under $30,000	614,688	16,885,333	237,359	4,147,164	582,596	5,624,369	305,295	1,100,449	119,934	182,879
$30,000 under $40,000	856,741	29,670,232	349,850	7,151,883	834,737	8,337,493	455,300	2,388,214	192,629	722,055
$40,000 under $50,000	588,629	26,252,897	257,998	6,773,996	583,445	6,778,946	377,420	2,650,483	178,501	899,333
$50,000 under $75,000	560,036	33,551,657	243,313	7,198,619	552,590	8,763,480	422,393	4,257,480	212,164	1,132,358
$75,000 under $100,000	201,633	17,321,118	78,022	3,065,290	200,355	4,410,349	161,127	2,474,722	83,872	863,151
$100,000 under $200,000	187,946	25,720,191	97,026	6,050,563	185,473	4,736,955	163,069	3,296,189	115,315	1,635,546
$200,000 under $500,000	63,245	17,776,783	30,701	3,214,283	62,914	3,277,757	56,255	2,808,484	45,161	959,636
$500,000 under $1,000,000	17,879	10,907,094	6,025	1,123,140	17,802	1,825,919	16,809	1,095,237	15,703	1,139,682
$1,000,000 or more	6,208	16,562,761	4,237	1,602,905	6,175	1,456,474	5,771	2,072,126	5,281	1,449,228
Nontaxable returns, total	**2,750,490**	**12,416,084**	**700,923**	**3,094,702**	**2,410,320**	**7,204,417**	**682,050**	**1,454,347**	**500,292**	**−3,010,391**

Size of adjusted gross income	Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities				Rent net income less loss	
					Total		In adjusted gross income			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**4,142,767**	**37,640,483**	**343,668**	**461,529**	**7,632,721**	**69,978,042**	**7,514,613**	**60,799,094**	**1,934,450**	**4,089,039**
No adjusted gross income	29,290	629,784	8,966	−98,000	25,293	288,704	25,271	278,963	44,979	−396,858
$1 under $5,000	223,753	136,159	*27,872	*−87,825	515,265	1,358,177	498,008	1,178,594	173,763	11,335
$5,000 under $10,000	500,944	352,857	*31,866	*−1,640	1,729,759	7,292,749	1,707,734	6,637,330	360,999	230,795
$10,000 under $15,000	497,025	391,567	*45,331	*129,154	1,599,475	11,260,081	1,582,218	10,349,762	274,544	393,699
$15,000 under $20,000	586,511	916,261	*24,412	*29,369	1,102,677	9,772,182	1,094,954	8,498,192	204,086	271,993
$20,000 under $25,000	431,633	1,004,425	*14,999	*32,616	723,425	7,627,767	705,343	7,053,991	185,184	342,080
$25,000 under $30,000	292,134	674,502	37,880	29,695	419,417	4,521,879	414,233	4,325,085	104,968	205,172
$30,000 under $40,000	415,861	1,767,751	17,965	5,526	568,478	7,579,999	564,501	6,926,642	139,240	232,573
$40,000 under $50,000	346,844	1,496,949	43,123	91,468	355,813	7,229,378	346,021	5,366,180	117,599	267,492
$50,000 under $75,000	397,318	3,297,299	21,778	97,433	339,878	6,207,968	330,948	5,625,384	147,731	526,010
$75,000 under $100,000	168,539	2,861,540	15,345	5,254	120,407	2,694,559	118,060	2,121,208	63,743	393,327
$100,000 under $200,000	169,932	6,249,271	27,127	125,038	102,484	2,632,936	98,466	1,697,819	68,319	481,370
$200,000 under $500,000	59,370	5,411,697	15,669	54,477	24,264	1,088,361	23,198	518,928	33,132	439,388
$500,000 under $1,000,000	17,530	3,153,615	9,784	16,979	3,775	189,664	3,497	89,703	12,973	582,061
$1,000,000 or more	6,083	9,296,808	1,551	31,987	2,311	231,640	2,161	131,312	3,190	108,601
Taxable returns, total	**3,632,537**	**36,774,267**	**293,035**	**686,654**	**6,353,408**	**64,427,390**	**6,269,831**	**55,891,406**	**1,539,208**	**4,357,165**
No adjusted gross income	3,524	268,221	2,905	10,683	515	20,224	509	19,722	892	−24,853
$1 under $5,000	*18,439	*−3,472	—	—	*21,394	*69,723	*21,394	*69,723	*13,671	*7,993
$5,000 under $10,000	288,187	199,734	*22,330	*30,672	1,086,331	4,286,615	1,081,563	4,052,333	210,563	181,643
$10,000 under $15,000	467,495	325,940	*38,446	*121,801	1,518,790	10,673,985	1,501,533	9,785,524	250,704	326,279
$15,000 under $20,000	567,384	845,421	*24,356	*25,193	1,085,418	9,653,360	1,077,695	8,379,369	197,497	262,868
$20,000 under $25,000	426,862	1,002,808	**52,875	**62,320	722,199	7,570,766	704,117	6,996,990	183,956	348,493
$25,000 under $30,000	288,143	652,871	**	**	415,812	4,495,378	410,628	4,302,093	104,340	257,099
$30,000 under $40,000	412,077	1,758,816	17,949	9,599	556,582	7,402,920	552,605	6,754,224	135,046	210,186
$40,000 under $50,000	345,756	1,499,470	43,072	100,129	354,776	7,223,296	344,984	5,360,174	116,511	254,607
$50,000 under $75,000	395,484	3,291,630	21,770	98,233	339,257	6,206,934	330,327	5,624,351	146,460	523,991
$75,000 under $100,000	167,152	2,842,419	15,286	5,097	119,793	2,686,439	117,446	2,113,088	63,019	394,436
$100,000 under $200,000	169,111	6,233,388	27,068	119,820	102,222	2,629,729	98,204	1,694,611	67,313	487,007
$200,000 under $500,000	59,323	5,408,639	15,651	54,271	24,241	1,087,613	23,175	518,244	33,090	439,343
$500,000 under $1,000,000	17,522	3,152,240	9,781	17,187	3,771	188,819	3,494	89,697	12,966	579,386
$1,000,000 or more	6,078	9,296,143	1,546	31,648	2,307	231,591	2,157	131,263	3,180	108,686
Nontaxable returns, total	**510,230**	**866,216**	**50,633**	**−225,124**	**1,279,313**	**5,548,652**	**1,244,782**	**4,907,688**	**395,242**	**−268,126**

Footnote(s) at end of table.

Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty net income less loss		Estate or trust net income less loss		Social Security benefits			
					Total		In adjusted gross income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns, total	**375,730**	**3,062,886**	**399,828**	**3,004,371**	**7,150,835**	**59,862,030**	**2,554,480**	**9,309,947**
No adjusted gross income	2,011	50,673	5,486	6,421	58,314	466,511	281	1,502
$1 under $5,000	*23,226	* – 23,298	*9,536	*20,726	572,654	4,018,019	**	**
$5,000 under $10,000	51,048	66,785	*33,375	*114,982	1,537,527	11,282,156	**4,769	**12,698
$10,000 under $15,000	44,052	52,300	*41,096	*162,027	1,151,496	9,444,764	*4,775	*9,331
$15,000 under $20,000	44,060	100,377	38,978	189,894	785,935	6,691,240	*9,592	*41,902
$20,000 under $25,000	67,155	110,219	33,376	26,181	526,474	4,708,712	117,837	115,560
$25,000 under $30,000	24,597	49,594	*23,546	*139,610	421,410	3,924,996	341,228	541,288
$30,000 under $40,000	21,694	57,483	40,566	258,812	744,254	6,137,419	730,799	2,097,987
$40,000 under $50,000	15,296	43,086	43,856	272,786	501,721	4,225,358	494,993	2,010,649
$50,000 under $75,000	38,162	251,925	51,972	419,837	477,868	4,597,774	477,033	2,294,301
$75,000 under $100,000	13,735	48,626	19,430	266,113	168,403	1,817,299	168,403	908,633
$100,000 under $200,000	12,806	173,028	28,886	437,168	148,969	1,843,079	148,969	923,566
$200,000 under $500,000	7,709	294,883	18,127	313,707	43,939	548,226	43,939	274,297
$500,000 under $1,000,000	9,207	1,670,300	10,025	133,603	7,424	94,748	7,422	47,363
$1,000,000 or more	972	116,906	1,573	242,504	4,447	61,729	4,440	30,870
Taxable returns, total	**324,614**	**3,016,598**	**341,888**	**2,835,280**	**5,867,086**	**50,042,702**	**2,529,944**	**9,219,342**
No adjusted gross income	45	3,191	567	3,535	2,478	23,111	*251	*1,279
$1 under $5,000	—	—	—	—	*23,208	*129,448	—	—
$5,000 under $10,000	*28,613	*60,154	*9,536	*22,734	982,028	6,777,830	—	—
$10,000 under $15,000	44,052	52,300	*31,560	*128,603	1,069,208	8,768,312	*4,768	*9,312
$15,000 under $20,000	44,060	100,377	34,210	185,054	764,929	6,556,517	*9,535	*41,624
$20,000 under $25,000	67,152	109,848	*33,373	*26,109	525,859	4,698,706	117,223	115,522
$25,000 under $30,000	*21,233	*35,441	*20,182	*129,138	414,295	3,879,391	334,113	519,647
$30,000 under $40,000	21,694	57,483	40,364	259,685	736,897	6,082,302	723,442	2,072,845
$40,000 under $50,000	*15,245	*42,984	43,805	272,918	501,670	4,224,232	494,942	2,010,086
$50,000 under $75,000	38,162	251,925	51,128	418,799	475,148	4,565,140	474,313	2,277,984
$75,000 under $100,000	13,682	48,528	18,816	262,250	167,688	1,800,755	167,688	900,361
$100,000 under $200,000	12,806	173,028	28,644	436,264	147,929	1,832,963	147,929	918,508
$200,000 under $500,000	7,698	293,923	18,112	313,752	43,892	547,649	43,892	274,008
$500,000 under $1,000,000	**	**	10,022	133,477	7,418	94,710	7,416	47,344
$1,000,000 or more	**10,172	**1,787,416	1,569	242,961	4,439	61,636	4,432	30,824
Nontaxable returns, total	**51,116**	**46,288**	**57,940**	**169,091**	**1,283,749**	**9,819,328**	**24,536**	**90,604**

Size of adjusted gross income	Total statutory adjustments		Exemptions		Returns with zero bracket amount only		Returns with itemized deductions			
									Zero bracket amount	
	Number of returns	Amount	Total number of exemptions	Number of exemptions for age 65 or over	Number of returns	Zero bracket amount	Number of returns	Total itemized deductions	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns, total	**1,815,617**	**4,719,757**	**38,408,219**	**17,395,776**	**7,809,672**	**22,358,599**	**4,579,330**	**52,200,047**	**4,258,900**	**13,089,580**
No adjusted gross income	6,175	10,723	345,686	154,231	—	—	—	—	—	—
$1 under $5,000	57,743	50,007	3,367,371	1,592,625	767,637	1,076,155	117,911	917,106	44,052	52,534
$5,000 under $10,000	168,226	189,635	8,572,238	3,957,143	2,553,405	6,729,638	632,542	4,124,283	497,759	1,074,088
$10,000 under $15,000	207,191	360,105	7,244,563	3,252,111	1,721,620	5,404,448	694,653	4,717,274	638,555	1,909,579
$15,000 under $20,000	250,641	459,119	5,388,124	2,446,227	1,166,409	3,807,143	557,908	3,759,612	528,972	1,691,998
$20,000 under $25,000	197,127	378,852	3,447,446	1,575,058	610,258	2,069,204	439,193	3,071,444	434,416	1,430,085
$25,000 under $30,000	149,531	317,647	1,979,469	880,416	313,740	1,021,035	308,304	2,776,846	300,947	974,608
$30,000 under $40,000	221,565	562,548	2,705,496	1,181,176	341,391	1,102,634	531,031	4,754,771	523,613	1,674,415
$40,000 under $50,000	171,534	542,579	1,900,528	821,260	180,404	624,254	409,313	4,310,079	408,693	1,332,630
$50,000 under $75,000	194,442	723,308	1,842,975	817,258	123,316	417,037	440,276	5,681,087	437,617	1,452,180
$75,000 under $100,000	70,393	343,243	678,885	302,797	20,251	69,064	182,769	3,081,035	180,998	605,486
$100,000 under $200,000	84,610	456,589	649,338	291,461	9,242	31,106	180,006	4,867,978	178,208	607,092
$200,000 under $500,000	21,693	169,318	206,712	91,744	1,713	5,910	61,599	4,818,012	61,358	201,935
$500,000 under $1,000,000	12,143	97,586	57,781	22,889	246	836	17,645	1,911,910	17,572	61,900
$1,000,000 or more	2,603	58,498	21,607	9,380	40	135	6,180	3,408,610	6,140	21,050
Taxable returns, total	**1,667,185**	**4,577,308**	**30,359,472**	**13,703,151**	**6,327,160**	**19,525,646**	**3,870,273**	**43,796,016**	**3,863,807**	**12,391,540**
No adjusted gross income	562	3,500	8,717	4,216	—	—	—	—	—	—
$1 under $5,000	—	—	157,210	78,605	73,837	180,041	*4,768	*12,306	*4,768	*11,825
$5,000 under $10,000	107,176	135,947	4,794,487	2,267,890	1,798,438	4,915,235	242,778	908,669	242,778	628,385
$10,000 under $15,000	185,376	339,464	6,734,810	3,011,538	1,689,753	5,288,903	561,346	2,899,121	561,346	1,758,087
$15,000 under $20,000	**447,710	**836,609	5,282,918	2,398,420	**2,765,092	**9,141,332	521,522	3,058,312	521,249	1,672,740
$20,000 under $25,000	**	**	3,432,996	1,567,834	**	**	433,196	2,918,789	433,188	1,426,813
$25,000 under $30,000	149,290	316,562	1,964,515	873,059	**	**	300,948	2,529,526	297,583	973,582
$30,000 under $40,000	220,742	559,378	2,650,323	1,154,203	**	**	515,350	4,197,147	515,289	1,644,544
$40,000 under $50,000	170,648	539,705	1,895,341	819,919	**	**	408,225	4,261,327	407,807	1,330,234
$50,000 under $75,000	194,442	723,308	1,833,693	813,089	**	**	436,720	5,368,743	435,741	1,448,600
$75,000 under $100,000	70,285	341,629	674,012	300,696	**	**	181,382	2,953,656	180,998	605,486
$100,000 under $200,000	84,542	456,041	644,649	289,802	**	**	178,704	4,657,629	178,006	606,405
$200,000 under $500,000	21,672	169,122	206,486	91,643	**	**	61,532	4,796,177	61,346	201,900
$500,000 under $1,000,000	**	**	57,751	22,875	**	**	17,634	1,897,683	**	**
$1,000,000 or more	**14,740	**156,043	21,564	9,362	40	135	6,168	3,336,929	**23,708	**82,940
Nontaxable returns, total	**148,432**	**142,450**	**8,048,747**	**3,692,625**	**1,482,512**	**2,832,954**	**709,057**	**8,404,031**	**395,093**	**698,040**

Footnote(s) at end of table

Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with itemized deductions—Continued		Taxable income		Income tax before credits		Tax credits			
	Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Total		Credit for the elderly and disabled	
	Number of returns	Amount					Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**4,579,330**	**37,147,740**	**12,068,572**	**228,490,040**	**10,408,987**	**49,965,148**	**1,520,709**	**403,952**	**379,840**	**72,963**
No adjusted gross income	—	—	—	—	*16	*121	*15	*119	—	—
$1 under $5,000	117,911	585,241	811,689	1,146,251	88,140	1,876	*9,535	*267	*9,535	*267
$5,000 under $10,000	632,542	2,342,961	3,051,164	12,494,099	2,200,969	567,506	343,405	45,823	222,874	31,873
$10,000 under $15,000	694,653	2,543,839	2,360,175	19,061,808	2,286,895	1,527,934	295,053	54,038	108,986	34,051
$15,000 under $20,000	557,908	1,980,825	1,695,381	21,628,817	1,687,658	2,236,671	134,701	15,663	*38,445	*6,772
$20,000 under $25,000	439,193	1,628,517	1,044,674	17,465,407	1,044,061	2,080,544	116,862	6,405	—	—
$25,000 under $30,000	308,304	1,777,110	614,687	12,999,019	614,687	1,879,898	90,863	12,132	—	—
$30,000 under $40,000	531,031	3,056,208	865,004	24,115,477	864,801	3,963,523	119,191	33,067	—	—
$40,000 under $50,000	409,313	2,981,760	589,097	21,091,877	588,211	3,896,529	120,633	52,968	—	—
$50,000 under $75,000	440,276	4,216,846	560,933	27,504,235	558,271	6,335,369	107,647	21,818	—	—
$75,000 under $100,000	182,769	2,472,513	201,249	14,174,962	201,249	4,000,706	63,539	9,634	—	—
$100,000 under $200,000	180,006	4,245,588	187,450	20,998,373	187,006	7,164,715	67,218	28,127	—	—
$200,000 under $500,000	61,599	4,098,589	63,071	13,527,309	63,026	5,615,614	34,678	28,874	—	—
$500,000 under $1,000,000	17,645	1,849,769	17,818	9,020,424	17,818	4,172,706	13,117	20,770	—	—
$1,000,000 or more	6,180	3,367,972	5,180	13,261,982	6,179	6,521,416	4,252	74,247	—	—
Taxable returns, total	**3,870,273**	**30,848,513**	**10,190,967**	**224,404,640**	**10,193,017**	**49,893,070**	**1,304,739**	**331,875**	**217,131**	**40,695**
No adjusted gross income	—	—	—	—	*9	*21	*8	*19	—	—
$1 under $5,000	*4,768	*482	78,605	206,476	78,605	1,609	—	—	—	—
$5,000 under $10,000	242,778	280,258	2,041,216	10,020,553	2,041,216	543,196	183,652	21,513	91,726	9,460
$10,000 under $15,000	561,346	1,141,032	2,251,099	18,644,354	2,251,099	1,510,378	259,257	36,483	86,960	24,463
$15,000 under $20,000	521,522	1,384,490	1,685,781	21,587,811	1,685,781	2,234,799	132,824	13,790	*38,445	*6,772
$20,000 under $25,000	433,196	1,492,118	1,043,446	17,459,759	1,043,446	2,080,271	116,247	6,131	—	—
$25,000 under $30,000	300,948	1,548,324	611,323	12,997,993	614,687	1,879,898	90,863	12,132	—	—
$30,000 under $40,000	515,350	2,552,138	856,680	23,923,986	856,679	3,938,275	111,069	7,819	—	—
$40,000 under $50,000	408,225	2,937,001	588,211	21,089,481	588,211	3,896,529	120,633	52,968	—	—
$50,000 under $75,000	436,720	3,914,119	559,057	27,500,559	558,221	6,335,378	107,597	21,807	—	—
$75,000 under $100,000	181,382	2,350,055	201,249	14,174,962	201,249	4,000,706	63,539	9,634	—	—
$100,000 under $200,000	178,704	4,039,609	187,248	20,993,881	186,804	7,164,522	67,016	27,934	—	—
$200,000 under $500,000	61,532	4,076,980	63,059	13,525,474	63,017	5,614,827	34,669	28,088	—	—
$500,000 under $1,000,000	17,634	1,835,574	**23,993	**22,279,351	**23,993	**10,692,660	**17,365	**93,555	—	—
$1,000,000 or more	6,168	3,296,334	**	**	**	**	**	**	—	—
Nontaxable returns, total	**709,057**	**6,299,227**	**1,877,605**	**4,085,400**	**215,970**	**72,077**	**215,970**	**72,077**	**162,709**	**32,267**

Size of adjusted gross income	Tax credits—Continued		Income tax after credits		Alternative minimum tax		Total income tax		Total tax liability	
	Earned income credit used to offset income tax before credits		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount								
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)
All returns, total	**57,210**	**6,260**	**10,190,991**	**49,561,195**	**175,209**	**1,444,978**	**10,200,961**	**51,006,241**	**10,400,962**	**52,179,218**
No adjusted gross income	—	—	**	**	3,526	32,736	3,528	32,742	15,202	40,321
$1 under $5,000	—	—	**78,606	**1,611	—	—	78,605	1,609	176,861	23,497
$5,000 under $10,000	*38,140	*4,939	2,041,216	521,683	—	—	2,041,216	521,683	2,108,047	599,809
$10,000 under $15,000	*19,070	*1,321	2,251,099	1,473,895	—	—	2,251,099	1,473,895	2,269,812	1,562,704
$15,000 under $20,000	—	—	1,685,781	2,221,008	*1,109	*3,039	1,686,054	2,224,048	1,686,110	2,330,074
$20,000 under $25,000	—	—	1,043,445	2,074,140	*9	*674	1,043,454	2,074,813	1,044,683	2,142,345
$25,000 under $30,000	—	—	614,678	1,867,767	*1,222	*962	614,688	1,868,729	614,688	1,914,102
$30,000 under $40,000	—	—	856,679	3,930,456	22,123	20,686	856,741	3,951,142	856,749	4,048,453
$40,000 under $50,000	—	—	588,196	3,843,560	30,789	95,647	588,629	3,939,208	588,882	4,093,211
$50,000 under $75,000	—	—	556,415	6,313,571	35,799	154,751	560,036	6,468,322	561,249	6,629,919
$75,000 under $100,000	—	—	201,197	3,991,072	24,959	123,807	201,633	4,114,878	202,918	4,209,108
$100,000 under $200,000	—	—	186,743	7,136,588	37,417	393,463	187,946	7,530,115	188,397	7,659,847
$200,000 under $500,000	—	—	62,943	5,586,739	13,510	258,802	63,245	5,845,542	63,269	5,885,482
$500,000 under $1,000,000	—	—	17,815	4,151,936	2,746	106,838	17,879	4,258,773	17,882	4,327,125
$1,000,000 or more	—	—	6,178	6,447,168	2,000	253,574	6,208	6,700,742	6,213	6,713,221
Taxable returns, total	***38,140**	***5,120**	**10,190,991**	**49,561,195**	**175,209**	**1,444,978**	**10,200,961**	**51,006,241**	**10,200,961**	**52,097,223**
No adjusted gross income	—	—	**	**	3,526	32,736	3,528	32,742	3,528	33,171
$1 under $5,000	—	—	**78,606	**1,611	—	—	78,605	1,609	78,605	1,609
$5,000 under $10,000	*19,070	*3,800	2,041,216	521,683	—	—	2,041,216	521,683	2,041,216	567,677
$10,000 under $15,000	*19,070	*1,321	2,251,099	1,473,895	—	—	2,251,099	1,473,895	2,251,099	1,550,101
$15,000 under $20,000	—	—	1,685,781	2,221,008	*1,109	*3,039	1,686,054	2,224,048	1,686,054	2,329,785
$20,000 under $25,000	—	—	1,043,445	2,074,140	*9	*674	1,043,454	2,074,813	1,043,454	2,139,886
$25,000 under $30,000	—	—	614,678	1,867,767	*1,222	*962	614,688	1,868,729	614,688	1,914,102
$30,000 under $40,000	—	—	856,679	3,930,456	22,123	20,686	856,741	3,951,142	856,741	4,048,412
$40,000 under $50,000	—	—	588,596	3,843,560	30,789	95,647	588,629	3,939,208	588,629	4,092,332
$50,000 under $75,000	—	—	556,415	6,313,571	35,799	154,751	560,036	6,468,322	560,036	6,629,710
$75,000 under $100,000	—	—	201,197	3,991,072	24,959	123,807	201,633	4,114,878	201,633	4,205,688
$100,000 under $200,000	—	—	186,743	7,136,588	37,417	393,463	187,946	7,530,115	187,946	7,659,090
$200,000 under $500,000	—	—	62,943	5,586,739	13,510	258,802	63,245	5,845,542	63,245	5,885,362
$500,000 under $1,000,000	—	—	17,815	4,151,936	2,746	106,838	17,879	4,258,773	17,879	4,327,107
$1,000,000 or more	—	—	6,178	6,447,168	2,000	253,574	6,208	6,700,742	6,208	6,713,191
Nontaxable returns, total	***19,070**	***1,139**	—	—	—	—	—	—	**200,001**	**81,995**

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
1 Consists of business or profession, farm, partnership, and Small Business Corporations net income less loss.
NOTE: Detail may not add to total because of rounding.

Table 2.6—Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status of Taxpayer

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status of taxpayer	All returns, total	Joint returns of husbands and wives				Separate returns of husbands and wives, total	Returns of heads of households, total	Returns of surviving spouses, total	Returns of single persons, total
		Total	Both taxpayers age 65 or over	Primary taxpayer age 65 or over; secondary taxpayer under 65	Secondary taxpayer age 65 or over; primary taxpayer under 65				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	**12,951,451**	**6,995,023**	**4,444,325**	**2,159,320**	**391,378**	**109,796**	**278,542**	***18,503**	**5,549,587**
Adjusted gross income less deficit	303,598,379	202,351,829	126,024,815	65,185,070	11,141,944	2,914,756	5,370,824	*281,916	92,679,054
Exemptions									
Number of exemptions	38,406,219	26,115,256	18,005,519	6,902,559	1,207,178	228,665	739,570	*58,873	11,265,855
Amount	41,466,088	28,195,579	19,440,299	7,451,628	1,303,652	245,812	798,735	*63,583	12,162,380
Returns with zero bracket amount only									
Number of returns	7,809,672	3,956,880	2,558,581	1,189,827	208,472	55,810	148,946	*17,667	3,630,369
Zero bracket amount	22,358,599	13,481,895	8,707,791	4,041,480	732,624	100,523	344,729	*64,032	8,367,420
With nonitemizers contribution deduction									
Number of returns	*5,486,333	*2,895,257	*1,954,360	*803,450	*137,447	*27,202	*105,277	*12,899	*2,445,698
Amount	*3,884,358	*2,330,876	*1,683,505	*550,696	*96,675	*13,183	*39,771	*3,545	*1,496,982
Returns with itemized deductions									
Number of returns	4,579,330	2,696,009	1,627,982	888,501	179,526	49,192	111,968	*836	1,721,325
Total itemized deductions	52,200,047	32,272,865	19,033,608	11,421,078	1,818,179	603,800	978,254	*6,161	18,338,967
Zero bracket amount									
Number of returns	4,258,900	2,574,513	1,540,246	854,985	179,282	44,338	111,968	*836	1,527,245
Amount	13,089,580	9,151,438	5,476,364	3,035,328	639,746	76,158	277,680	*3,068	3,581,236
Excess itemized deductions									
Number of returns	4,579,330	2,696,009	1,627,982	888,501	179,526	49,192	111,968	*836	1,721,325
Amount	37,147,740	22,297,869	12,985,629	8,152,804	1,159,437	513,177	700,589	*3,093	13,633,012
Taxable income									
Number of returns	12,068,572	6,531,393	4,098,827	2,044,812	387,754	100,148	260,914	*18,503	5,157,614
Amount	228,490,040	153,724,015	94,314,543	50,730,579	8,678,894	2,236,083	3,876,080	*211,696	68,442,167
Alternative minimum tax									
Number of returns	175,209	106,728	65,399	32,031	9,298	877	10,029	—	57,575
Amount	1,444,978	1,037,694	671,343	334,697	31,655	23,479	30,935	—	352,870
Income tax after credits									
Number of returns	10,190,991	5,629,802	3,499,059	1,779,314	351,429	90,605	224,585	*13,735	4,232,264
Amount	49,561,195	34,758,160	21,128,639	12,051,310	1,578,212	702,529	737,004	*30,048	13,333,454
Total income tax									
Number of returns	10,200,961	5,634,766	3,502,190	1,780,305	352,271	90,642	224,586	*13,735	4,237,232
Amount	51,006,241	35,795,858	21,799,985	12,386,007	1,609,866	726,008	767,939	*30,048	13,686,388
Total tax liability									
Number of returns	10,400,962	5,769,644	3,584,550	1,832,815	352,279	90,648	227,542	*13,735	4,299,393
Amount	52,179,218	36,787,695	22,283,414	12,828,868	1,675,413	738,241	772,085	*30,048	13,851,150

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 3.1—Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Size of Adjusted Gross Income and Type of Tax Computation

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Income subject to tax	Income tax before credits, regular computation		Tax generated		Tax savings over regular computation	Income tax before credits	
					Number of returns	Amount	Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with regular tax computation only											
Total	93,998,181	2,304,435,685	1,781,112,283	1,781,724,995	83,436,793	321,303,859	83,454,050	321,371,334	—	83,480,911	322,892,783
Under $5,000	11,802,462	37,042,649	22,281,155	22,293,883	3,792,801	329,694	3,810,059	333,968	—	3,827,317	366,556
$5,000 under $10,000	15,407,094	115,711,144	79,897,519	79,969,055	13,233,053	4,995,214	13,233,052	5,008,938	—	13,240,777	5,019,935
$10,000 under $15,000	13,422,928	166,872,972	126,774,478	126,841,221	13,162,045	11,874,151	13,162,045	11,883,012	—	13,162,045	11,926,025
$15,000 under $20,000	11,054,538	192,597,229	152,922,370	152,985,009	10,989,008	17,511,255	10,989,008	17,517,941	—	10,989,008	17,600,534
$20,000 under $25,000	8,905,460	199,407,872	160,001,971	160,047,934	8,885,032	20,685,467	8,885,032	20,687,202	—	8,886,852	20,775,007
$25,000 under $30,000	7,266,286	199,814,146	159,040,440	159,127,965	7,247,770	22,387,661	7,247,770	22,400,206	—	7,247,770	22,489,291
$30,000 under $40,000	10,941,838	379,016,124	298,542,206	298,605,887	10,936,359	46,800,078	10,936,359	46,807,802	—	10,936,359	47,004,569
$40,000 under $50,000	7,030,277	312,769,324	243,769,693	243,865,783	7,028,863	43,144,262	7,028,863	43,160,137	—	7,028,863	43,382,079
$50,000 under $75,000	5,809,478	344,003,947	265,627,071	265,699,995	5,805,659	56,225,671	5,805,659	56,226,479	—	5,805,659	56,472,312
$75,000 under $100,000	1,285,766	109,626,569	82,797,515	82,812,259	1,285,148	21,624,443	1,285,148	21,626,238	—	1,285,148	21,788,073
$100,000 under $200,000	813,239	106,293,244	80,205,438	80,213,724	812,331	25,890,606	812,331	25,894,620	—	812,389	26,035,583
$200,000 under $500,000	193,676	55,537,416	42,195,004	42,200,071	193,596	17,554,997	193,596	17,548,680	—	193,596	17,707,807
$500,000 under $1,000,000	38,562	24,932,306	20,080,384	20,082,391	38,553	9,303,432	38,553	9,303,970	—	38,553	9,330,285
$1,000,000 or more	26,577	60,810,745	46,977,041	46,979,817	26,575	22,976,929	26,575	22,972,142	—	26,575	22,994,726
Returns with income averaging tax computation only											
Total	3,098,146	202,728,882	165,519,479	167,190,206	3,098,146	47,392,094	3,098,146	44,411,540	2,980,555	3,098,146	44,626,203
Under $5,000	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	*14,302	*129,567	*108,739	*102,799	*14,302	*9,430	*14,302	*8,505	*925	*14,302	*8,505
$10,000 under $15,000	119,607	1,542,888	1,324,462	1,199,693	119,607	139,030	119,607	118,600	20,430	119,607	118,600
$15,000 under $20,000	170,663	3,010,143	2,474,823	2,249,840	170,663	293,223	170,663	255,495	37,728	170,663	255,495
$20,000 under $25,000	289,200	6,557,755	5,354,583	4,933,056	289,200	714,374	289,200	633,353	81,022	289,200	633,353
$25,000 under $30,000	273,790	7,539,864	6,311,247	5,900,944	273,790	923,309	273,790	828,868	94,441	273,790	842,045
$30,000 under $40,000	532,482	18,603,222	15,374,770	14,343,369	532,482	2,530,089	532,482	2,270,230	259,860	532,482	2,270,354
$40,000 under $50,000	421,089	19,125,151	15,595,743	14,558,528	421,089	2,963,381	421,089	2,647,539	315,841	421,089	2,682,487
$50,000 under $75,000	607,937	37,194,158	29,669,810	28,252,440	607,937	6,647,888	607,937	6,146,582	501,307	607,937	6,160,073
$75,000 under $100,000	256,958	21,963,583	17,414,086	16,421,364	256,958	4,714,470	256,958	4,310,101	404,369	256,958	4,321,520
$100,000 under $200,000	298,383	40,170,151	32,552,520	31,064,021	298,383	10,986,644	298,383	10,306,443	680,201	298,383	10,402,920
$200,000 under $500,000	95,878	26,885,034	22,082,676	21,154,773	95,878	9,185,233	95,878	8,724,069	461,164	95,878	8,755,394
$500,000 under $1,000,000	12,705	8,543,122	7,247,190	7,074,309	12,705	3,379,455	12,705	3,293,063	86,391	12,705	3,302,439
$1,000,000 or more	5,152	11,464,244	10,008,831	9,935,071	5,152	4,905,567	5,152	4,868,692	36,875	5,152	4,873,018

Type of tax computation by size of adjusted gross income	Total credits		Income tax after credits		Alternative minimum tax		Total income tax				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	As a percent of		Average income tax (dollars)
									Income subject to tax	Adjusted gross income	
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns with regular tax computation only											
Total	15,995,541	6,072,874	80,829,152	316,819,909	327,474	3,874,390	80,848,652	320,696,476	18.0	13.9	3,412
Under $5,000	110,335	3,532	3,739,205	363,025	—	—	3,739,205	363,025	1.6	1.0	31
$5,000 under $10,000	2,864,953	546,016	11,283,575	4,473,919	*1,689	*10,670	11,284,651	4,484,589	5.6	3.9	291
$10,000 under $15,000	2,256,985	618,850	12,749,439	11,307,175	*6,050	*9,433	12,750,103	11,316,608	8.9	6.8	843
$15,000 under $20,000	1,380,969	540,240	10,895,361	17,060,294	*2,128	*26,215	10,895,419	17,086,509	11.2	8.9	1,546
$20,000 under $25,000	1,489,488	523,694	8,851,929	20,251,313	*1,480	*8,509	8,852,171	20,257,822	12.7	10.2	2,275
$25,000 under $30,000	1,499,090	488,808	7,231,645	22,000,483	1,353	8,122	7,232,104	22,008,604	13.8	11.0	3,029
$30,000 under $40,000	2,288,728	692,154	10,906,150	46,312,415	31,029	99,321	10,907,996	46,411,737	15.5	12.2	4,242
$40,000 under $50,000	1,609,424	491,285	7,025,777	42,890,794	32,229	93,644	7,026,812	42,984,438	17.6	13.7	6,114
$50,000 under $75,000	1,551,820	625,276	5,795,606	55,847,036	75,765	327,114	5,803,641	56,174,150	21.1	16.3	9,669
$75,000 under $100,000	443,278	365,703	1,281,449	21,422,370	61,945	347,873	1,284,943	21,770,243	26.3	19.9	16,932
$100,000 under $200,000	346,925	309,597	810,977	25,725,985	74,093	678,199	813,018	26,406,282	32.9	24.8	32,471
$200,000 under $500,000	113,908	333,808	192,991	17,373,999	21,273	490,141	193,497	17,864,141	42.3	32.2	92,237
$500,000 under $1,000,000	26,257	129,292	38,500	9,200,994	5,512	261,173	38,537	9,462,167	47.1	38.0	245,375
$1,000,000 or more	13,381	404,618	26,548	22,590,107	12,928	1,515,977	26,555	24,106,164	51.3	39.6	907,031
Returns with income averaging tax computation only											
Total	850,741	945,116	3,053,462	43,681,087	247,001	2,144,714	3,068,819	45,825,873	29.2	22.6	14,791
Under $5,000	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	*14,302	*8,505	—	—	*14,302	*8,505	*8.3	*6.6	*595
$10,000 under $15,000	*22,331	*7,168	119,607	111,432	—	—	119,607	111,432	9.3	7.2	932
$15,000 under $20,000	25,012	7,317	168,229	248,178	*836	*144	168,229	248,321	11.0	8.2	1,455
$20,000 under $25,000	39,049	25,920	284,946	607,432	—	—	284,946	607,432	12.3	9.3	2,100
$25,000 under $30,000	65,339	60,103	262,442	781,943	*6,892	*14,972	263,256	796,914	13.5	10.6	2,911
$30,000 under $40,000	154,663	137,481	517,733	2,132,874	29,154	41,204	523,540	2,174,078	15.2	11.7	4,083
$40,000 under $50,000	133,747	103,645	418,122	2,578,842	47,711	151,326	419,206	2,730,168	18.8	14.3	6,484
$50,000 under $75,000	174,493	111,055	602,375	6,049,018	42,731	202,244	607,101	6,251,262	22.1	16.8	10,283
$75,000 under $100,000	70,747	82,682	254,746	4,238,838	38,176	244,111	256,756	4,482,949	27.3	20.4	17,446
$100,000 under $200,000	110,812	140,326	297,325	10,262,594	50,054	557,375	298,165	10,819,969	34.8	26.9	36,262
$200,000 under $500,000	44,786	152,009	95,795	8,603,384	24,526	541,918	95,859	9,145,317	43.2	34.0	95,385
$500,000 under $1,000,000	6,533	46,981	12,689	3,255,458	4,687	173,449	12,701	3,428,907	48.5	40.1	269,886
$1,000,000 or more	3,229	70,429	5,151	4,802,589	2,232	217,972	5,151	5,020,617	50.5	43.8	974,499

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	**83,967,413**	**2,440,231,669**	**367,287,213**	**15,185,953**	**163,190,240**	**4,785,803**	**9,779,150**	**152,923,336**	**9,328,371**
Under $5,000	3,764,298	13,781,946	705,959	3,429,833	14,085,152	261,941	176,402	494,135	29,626
$5,000 under $10,000	11,302,273	86,226,426	4,501,830	5,344,058	37,694,570	1,104,332	3,235,623	24,242,158	1,464,517
$10,000 under $15,000	12,871,560	160,407,271	11,438,531	3,621,928	43,989,324	1,310,597	2,104,085	26,749,624	1,609,451
$15,000 under $20,000	11,064,250	192,842,811	17,340,658	1,334,360	22,839,156	732,078	2,034,161	34,942,708	2,145,250
$20,000 under $25,000	9,139,455	204,746,149	20,882,788	622,718	13,868,272	439,431	923,964	20,490,461	1,257,247
$25,000 under $30,000	7,499,447	206,223,786	22,850,962	351,445	9,566,055	312,322	545,573	14,914,789	925,663
$30,000 under $40,000	11,434,253	396,226,364	48,628,503	298,069	10,288,218	334,486	506,235	17,237,432	1,054,511
$40,000 under $50,000	7,446,963	331,708,776	45,744,224	98,678	4,417,363	112,231	149,332	6,586,771	398,109
$50,000 under $75,000	6,414,601	381,037,449	62,459,834	58,798	3,531,603	118,060	85,176	5,128,004	311,383
$75,000 under $100,000	1,543,446	131,658,272	26,280,965	19,115	1,696,548	27,526	10,346	885,805	55,047
$100,000 under $200,000	1,113,163	146,680,146	37,289,197	5,994	736,958	20,365	7,429	889,440	55,326
$200,000 or more	373,704	188,692,273	69,163,762	957	477,019	12,434	824	362,009	22,239
Joint returns									
Total	**42,590,214**	**1,704,437,762**	**266,460,002**	**6,087,535**	**97,898,362**	**2,905,026**	**4,723,952**	**102,124,067**	**6,243,554**
Under $5,000	25,368	−1,027,582	300,828	*50	*164	*1	—	—	—
$5,000 under $10,000	1,230,490	10,565,257	216,718	1,227,222	10,544,507	209,531	—	—	—
$10,000 under $15,000	3,979,782	50,110,271	2,119,077	2,611,274	31,864,856	948,388	1,087,675	14,436,063	855,982
$15,000 under $20,000	4,501,483	78,941,595	5,046,334	1,023,392	17,497,799	577,624	1,679,281	28,962,036	1,780,047
$20,000 under $25,000	4,807,7*0	108,000,979	8,725,703	497,560	11,103,868	355,272	797,097	17,670,375	1,089,236
$25,000 under $30,000	4,744,551	130,621,409	12,370,135	300,703	8,156,866	262,368	483,910	13,234,567	820,085
$30,000 under $40,000	8,486,310	295,394,847	32,868,057	262,141	9,063,639	292,146	451,512	15,391,877	941,577
$40,000 under $50,000	6,399,035	285,393,104	37,608,413	91,619	4,090,338	108,469	129,548	5,731,207	347,237
$50,000 under $75,000	5,767,496	342,811,276	54,568,375	50,550	3,038,441	101,819	77,044	4,672,710	283,913
$75,000 under $100,000	1,370,266	116,728,618	22,658,872	16,707	1,502,679	21,725	10,042	857,326	53,268
$100,000 under $200,000	976,926	128,988,895	32,038,406	5,591	685,831	18,894	7,121	853,475	52,836
$200,000 or more	309,797	157,909,094	57,939,084	726	349,375	8,789	722	314,429	19,371
Nonjoint returns									
Total	**41,377,199**	**735,793,908**	**100,827,211**	**9,098,418**	**65,291,878**	**1,880,778**	**5,055,198**	**50,799,269**	**3,084,818**
Under $5,000	3,738,930	14,809,528	405,131	3,429,783	14,084,988	261,940	176,402	494,135	29,626
$5,000 under $10,000	10,071,783	75,661,169	4,285,112	4,116,836	27,150,064	894,800	3,235,623	24,242,158	1,464,517
$10,000 under $15,000	8,900,778	110,297,001	9,319,455	1,010,654	12,124,468	362,210	1,016,410	12,313,561	753,470
$15,000 under $20,000	6,562,767	113,901,216	12,294,324	310,968	5,341,357	154,454	354,880	5,980,672	365,203
$20,000 under $25,000	4,331,745	96,745,170	12,157,085	125,158	2,764,405	84,159	126,867	2,820,086	168,011
$25,000 under $30,000	2,754,896	75,602,378	10,480,827	50,742	1,409,189	49,954	61,663	1,680,222	105,578
$30,000 under $40,000	2,947,943	100,831,518	15,760,446	35,928	1,224,579	42,340	54,723	1,845,554	112,934
$40,000 under $50,000	1,047,928	46,315,672	8,135,811	*7,059	*327,025	*3,761	19,784	855,564	5[illegible]2
$50,000 under $75,000	647,105	38,226,173	7,891,458	8,248	493,162	16,241	8,132	455,294	27,470
$75,000 under $100,000	173,180	14,929,655	3,622,093	*2,408	*193,869	*5,800	*304	*28,479	*1,779
$100,000 under $200,000	136,237	17,691,251	5,250,790	*403	*51,127	*1,472	*308	*35,965	*2,490
$200,000 or more	63,307	30,783,179	11,224,678	231	127,644	3,645	102	47,580	2,868

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns									
Total	**18,984,743**	**391,022,928**	**33,750,462**	**12,729,298**	**343,807,555**	**37,784,034**	**13,603,171**	**468,783,006**	**62,999,276**
Under $5,000	122,341	478,819	39,750	*2,955	*11,465	*1,330	—	—	—
$5,000 under $10,000	2,681,247	23,992,322	1,878,543	*33,373	*241,902	*26,546	—	—	—
$10,000 under $15,000	4,824,766	58,250,674	5,127,788	2,238,413	30,338,468	3,219,327	66,229	868,382	113,490
$15,000 under $20,000	2,950,048	52,267,188	4,375,478	2,311,170	38,609,309	4,325,727	2,393,558	43,501,157	5,587,165
$20,000 under $25,000	3,115,044	69,591,261	5,984,552	1,682,628	38,105,730	4,136,626	1,968,012	43,257,069	5,973,197
$25,000 under $30,000	1,988,657	54,367,392	4,729,120	1,958,144	53,873,989	5,909,925	1,399,125	38,957,591	5,144,810
$30,000 under $40,000	2,160,657	74,219,646	6,543,387	2,697,451	92,507,772	10,202,754	3,568,982	124,560,323	16,686,285
$40,000 under $50,000	765,801	33,832,085	2,964,715	1,231,878	54,260,319	5,996,100	2,598,554	115,442,614	15,524,350
$50,000 under $75,000	326,546	18,697,051	1,646,419	499,723	28,471,933	3,151,777	1,411,198	81,691,862	11,183,967
$75,000 under $100,000	33,947	2,856,851	248,121	54,014	4,547,352	505,194	141,198	11,850,397	1,614,291
$100,000 under $200,000	13,974	1,723,835	148,523	18,173	2,262,974	244,624	44,622	5,393,048	721,305
$200,000 or more	1,715	745,805	64,067	1,376	576,341	64,105	11,693	3,260,561	450,415
Joint returns									
Total	**9,417,738**	**263,930,684**	**22,795,887**	**6,710,119**	**235,467,573**	**25,878,884**	**7,463,089**	**322,337,571**	**43,297,933**
Under $5,000	—	—	—	*2,955	*11,465	*1,330	—	—	—
$5,000 under $10,000	**	**	**	—	—	—	—	—	—
$10,000 under $15,000	**252,327	**3,568,504	**264,129	*9,535	*112,518	*11,766	*4,251	*55,662	*8,037
$15,000 under $20,000	1,782,880	32,188,782	2,632,730	*4,775	*89,138	*9,245	—	—	—
$20,000 under $25,000	2,570,254	57,542,313	4,927,494	934,525	21,504,810	2,292,106	*1,450	*30,991	*4,099
$25,000 under $30,000	1,739,166	47,586,802	4,142,810	1,608,514	44,302,529	4,844,636	587,838	16,670,316	2,096,590
$30,000 under $40,000	2,004,118	69,027,767	6,087,611	2,424,556	83,279,489	9,192,877	2,902,747	101,996,302	13,609,988
$40,000 under $50,000	717,170	31,687,418	2,780,836	1,168,831	51,481,819	5,689,759	2,441,186	108,617,545	14,594,776
$50,000 under $75,000	306,600	17,569,121	1,548,602	485,497	27,629,573	3,059,394	1,358,844	78,636,838	10,764,867
$75,000 under $100,000	32,036	2,692,022	233,482	52,835	4,441,557	493,311	123,596	10,293,982	1,409,621
$100,000 under $200,000	11,685	1,429,184	123,647	16,793	2,091,135	226,213	39,886	4,824,989	644,782
$200,000 or more	1,502	638,772	54,546	1,303	523,539	58,248	3,291	1,210,946	165,173
Nonjoint returns									
Total	**9,567,005**	**127,092,245**	**10,954,575**	**6,019,179**	**108,339,982**	**11,905,150**	**6,140,082**	**146,445,434**	**19,701,343**
Under $5,000	122,341	478,819	39,750	—	—	—	—	—	—
$5,000 under $10,000	**	**	**	*33,373	*241,902	*26,546	—	—	—
$10,000 under $15,000	**7,253,686	**78,674,492	**6,742,202	2,228,878	30,225,950	3,207,560	61,978	812,720	105,453
$15,000 under $20,000	1,167,168	20,078,406	1,742,748	2,306,395	38,520,172	4,316,482	2,393,558	43,501,157	5,587,165
$20,000 under $25,000	544,790	12,048,948	1,057,057	748,103	16,600,920	1,844,520	1,966,562	43,226,078	5,969,099
$25,000 under $30,000	249,491	6,780,590	586,310	349,630	9,571,459	1,065,288	811,287	22,287,275	3,048,220
$30,000 under $40,000	156,539	5,191,879	455,775	272,895	9,228,283	1,009,877	666,235	22,564,021	3,076,297
$40,000 under $50,000	48,631	2,144,667	183,879	63,047	2,778,499	306,341	157,368	6,825,069	929,574
$50,000 under $75,000	19,946	1,127,930	97,818	14,226	842,359	92,383	52,354	3,055,024	419,100
$75,000 under $100,000	*1,911	*164,829	*14,638	*1,179	*105,795	*11,883	17,602	1,556,415	204,670
$100,000 under $200,000	2,289	294,652	24,876	1,380	171,839	18,411	4,736	568,059	76,523
$200,000 or more	213	107,033	9,521	73	52,802	5,857	8,402	2,049,616	285,242

Footnote(s) at end of table.

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
All returns									
Total	**5,613,375**	**239,356,661**	**38,153,933**	**6,629,180**	**398,648,025**	**79,806,548**	**743,778**	**86,594,024**	**23,658,977**
Under $5,000	*2,956	*9,016	*1,389	**	**	**	—	—	—
$5,000 under $10,000	—	—	—	**	**	**	**3,195	**22,838	**5,949
$10,000 under $15,000	*4,775	*62,529	*10,085	**8,590	**98,433	**20,292	—	—	—
$15,000 under $20,000	*14,303	*232,343	*35,986	*17,256	*292,285	*59,468	**	**	**
$20,000 under $25,000	790,040	18,620,554	2,898,651	*25,897	*559,812	*99,269	*203	*4,537	*1,195
$25,000 under $30,000	873,139	23,641,292	3,803,761	369,759	10,530,119	1,874,570	*6,223	*176,200	*50,299
$30,000 under $40,000	976,105	34,780,129	5,520,190	1,200,757	41,729,692	7,961,818	12,914	454,639	120,982
$40,000 under $50,000	1,432,670	63,897,021	10,190,058	1,116,474	50,757,266	9,746,969	34,434	1,643,883	440,745
$50,000 under $75,000	1,291,357	75,815,726	12,122,695	2,572,547	157,044,373	30,828,173	136,682	8,558,054	2,289,976
$75,000 under $100,000	177,161	14,928,820	2,390,094	874,741	74,426,799	15,570,820	175,935	15,507,115	4,132,976
$100,000 under $200,000	46,353	5,694,649	913,458	412,093	51,646,055	11,164,139	321,001	42,044,424	11,522,491
$200,000 or more	4,516	1,674,583	267,566	31,066	11,563,191	2,481,030	53,191	18,182,333	5,094,362
Joint returns									
Total	**3,166,864**	**167,313,656**	**26,689,756**	**4,016,073**	**290,536,560**	**58,312,977**	**509,692**	**65,985,763**	**17,986,405**
Under $5,000	—	—	—	**	**	**	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	**3,195	**22,838	**5,949
$10,000 under $15,000	—	—	—	**614	**8,793	**1,741	—	—	—
$15,000 under $20,000	*4,768	*81,471	*12,721	*4,767	*92,489	*20,346	**	**	**
$20,000 under $25,000	*202	*4,922	*825	*240	*5,236	*1,130	*203	*4,537	*1,195
$25,000 under $30,000	*5,184	*145,273	*22,229	*5,806	*157,291	*35,488	*6,223	*176,200	*50,299
$30,000 under $40,000	417,228	15,819,178	2,481,525	*9,397	*331,730	*67,544	*6,894	*233,079	*61,509
$40,000 under $50,000	1,283,317	57,418,546	9,158,956	545,942	25,372,056	4,565,835	10,190	482,682	132,504
$50,000 under $75,000	1,239,560	72,828,737	11,647,617	2,213,405	136,111,526	26,401,924	18,011	1,204,378	317,434
$75,000 under $100,000	169,245	14,258,918	2,282,800	815,994	69,405,541	14,471,859	132,741	11,801,978	3,117,778
$100,000 under $200,000	43,174	5,254,975	843,211	391,764	49,071,979	10,602,896	290,674	38,252,541	10,476,939
$200,000 or more	4,186	1,501,636	239,872	28,144	9,979,918	2,144,215	41,561	13,807,529	3,822,798
Nonjoint returns									
Total	**2,446,511**	**72,043,005**	**11,464,177**	**2,613,107**	**108,111,465**	**21,493,571**	**234,086**	**20,608,262**	**5,672,572**
Under $5,000	*2,956	*9,016	*1,389	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	**	**	**	—	—	—
$10,000 under $15,000	*4,775	*62,529	*10,085	**7,976	**89,640	**18,551	—	—	—
$15,000 under $20,000	*9,535	*150,872	*23,265	*12,489	*199,795	*39,122	—	—	—
$20,000 under $25,000	789,838	18,615,632	2,897,826	*25,657	*554,576	*98,139	—	—	—
$25,000 under $30,000	867,955	23,496,019	3,781,532	363,953	10,372,828	1,839,082	—	—	—
$30,000 under $40,000	558,877	18,960,951	3,038,665	1,191,360	41,397,962	7,894,274	*6,020	*221,560	*59,473
$40,000 under $50,000	149,353	6,478,475	1,031,102	570,532	25,385,210	5,181,134	24,244	1,161,201	308,241
$50,000 under $75,000	51,797	2,986,988	475,078	359,142	20,932,847	4,426,249	118,671	7,353,676	1,972,542
$75,000 under $100,000	7,916	669,903	107,294	58,747	5,021,258	1,098,961	43,194	3,705,137	1,015,198
$100,000 under $200,000	3,179	439,674	70,247	20,329	2,574,077	561,244	30,327	3,791,883	1,045,552
$200,000 or more	330	172,947	27,694	2,922	1,583,273	336,815	11,630	4,374,804	1,271,565

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns									
Total	**640,687**	**192,624,646**	**73,746,731**	**25,563**	**4,377,292**	**2,590,280**	**32,515**	**–1,096,043**	**682,797**
Under $5,000	—	—	—	**1,429	**5,638	**6,792	29,570	–1,297,757	371,257
$5,000 under $10,000	*664	*6,133	*1,919	**	**	**	*311	*2,053	*12,351
$10,000 under $15,000	*5,448	*67,558	*24,660	**	**	**	231	2,751	6,184
$15,000 under $20,000	*8,178	*135,447	*53,924	**	**	**	924	17,773	23,785
$20,000 under $25,000	*10,591	*240,131	*83,447	*263	*6,054	*4,081	95	2,266	5,092
$25,000 under $30,000	*3,425	*94,630	*32,665	*3,634	*93,304	*51,134	323	8,425	16,692
$30,000 under $40,000	8,369	300,908	110,802	4,628	144,355	84,355	86	3,250	8,931
$40,000 under $50,000	17,429	791,316	302,437	1,485	69,665	50,321	228	10,473	18,190
$50,000 under $75,000	28,561	1,848,609	629,453	3,826	238,032	151,716	187	12,204	26,215
$75,000 under $100,000	54,247	4,729,294	1,575,575	2,593	216,395	143,381	149	12,895	17,940
$100,000 under $200,000	239,416	35,721,622	12,115,181	3,864	531,548	328,933	244	35,592	54,850
$200,000 or more	264,359	148,688,998	58,816,669	3,840	3,067,401	1,769,565	167	94,032	121,309
Joint returns									
Total	**451,689**	**156,335,177**	**59,815,085**	**19,830**	**3,399,641**	**2,004,596**	**23,633**	**–891,291**	**529,899**
Under $5,000	—	—	—	**543	**3,758	**3,149	22,122	–1,040,328	298,831
$5,000 under $10,000	*51	*387	*163	**	**	**	*11	*84	*516
$10,000 under $15,000	*4,825	*60,401	*22,235	**	**	**	231	2,751	6,184
$15,000 under $20,000	*1,293	*23,862	*8,910	**	**	**	**179	**3,762	**8,350
$20,000 under $25,000	**9,197	**218,778	**77,339	*263	*6,054	*4,081	**	**	**
$25,000 under $30,000	**	**	**	**7,316	**206,073	**118,773	**341	**9,917	**22,136
$30,000 under $40,000	3,893	134,232	55,977	**	**	**	**	**	**
$40,000 under $50,000	9,655	437,209	169,776	1,411	66,410	47,451	166	7,874	12,815
$50,000 under $75,000	15,996	996,800	354,006	1,863	115,154	69,146	126	7,998	19,655
$75,000 under $100,000	14,658	1,276,074	439,583	2,270	186,220	119,404	142	12,319	16,041
$100,000 under $200,000	166,962	26,070,542	8,742,985	3,105	430,323	265,222	171	23,922	40,781
$200,000 or more	225,159	127,116,890	49,944,112	3,059	2,385,650	1,377,370	144	80,410	104,591
Nonjoint returns									
Total	**188,998**	**36,289,470**	**13,931,645**	**5,733**	**977,651**	**585,683**	**8,882**	**–204,753**	**152,898**
Under $5,000	—	—	—	—	—	—	7,448	–257,430	72,426
$5,000 under $10,000	*613	*5,746	*1,757	**887	**6,780	**3,643	*300	*1,969	*11,835
$10,000 under $15,000	*623	*7,156	*2,425	—	—	—	—	—	—
$15,000 under $20,000	*6,885	*111,585	*45,014	**	**	**	**840	**16,278	**20,528
$20,000 under $25,000	**4,819	**115,983	**38,773	—	—	—	**	**	**
$25,000 under $30,000	**	**	**	**946	**31,566	**16,716	**68	**1,758	**3,488
$30,000 under $40,000	*4,476	*166,677	*54,825	**	**	**	**	**	**
$40,000 under $50,000	*7,774	*354,107	*132,660	*74	*3,255	*2,870	*62	*2,599	*5,375
$50,000 under $75,000	12,565	851,809	275,447	*1,963	*122,878	*82,570	*61	*4,205	*6,560
$75,000 under $100,000	39,589	3,453,219	1,135,992	323	30,175	23,977	*7	*576	*1,899
$100,000 under $200,000	72,454	9,651,080	3,372,196	759	101,226	63,711	73	11,670	14,069
$200,000 or more	39,200	21,572,108	8,872,557	781	681,752	392,195	23	13,622	16,719

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Total tax credits		Personal credits							
						Total		Child care credit		Credit for the elderly and disabled		Political contributions credit	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**103,045,170**	**85,803,688**	**381,223,547**	**16,859,281**	**7,020,731**	**15,674,042**	**4,101,314**	**8,949,817**	**3,397,090**	**430,469**	**85,763**	**4,604,646**	**241,671**
No adjusted gross income	957,547	194,257	529,396	436	734	300	31	*58	*26	—	—	242	5
$1 under $5,000	15,987,613	4,505,941	645,556	113,700	3,589	95,094	2,761	*9,535	*324	*14,302	*605	*27,203	*958
$5,000 under $10,000	15,910,313	11,823,777	5,265,379	2,870,865	547,657	2,777,934	512,281	723,825	169,725	256,245	41,603	222,272	9,340
$10,000 under $15,000	13,706,052	13,045,078	12,346,534	2,282,272	626,136	2,125,949	569,827	1,134,163	473,234	116,709	36,434	403,831	15,860
$15,000 under $20,000	11,290,251	11,161,509	18,610,177	1,405,981	547,558	1,322,846	458,285	1,003,582	429,419	*43,213	*7,120	303,937	14,075
$20,000 under $25,000	9,221,431	9,184,284	22,184,482	1,528,540	549,629	1,434,192	462,112	1,057,646	442,941	—	—	403,388	15,725
$25,000 under $30,000	7,559,001	7,524,182	23,965,482	1,564,429	548,911	1,426,540	423,355	1,110,428	395,284	—	—	353,674	18,339
$30,000 under $40,000	11,489,629	11,458,931	50,648,116	2,443,392	829,635	2,275,178	594,826	1,601,757	551,244	—	—	747,528	37,015
$40,000 under $50,000	7,458,776	7,454,677	47,360,532	1,743,411	594,954	1,640,278	466,232	1,127,572	431,440	—	—	586,330	32,419
$50,000 under $75,000	6,427,825	6,417,850	64,609,471	1,726,378	736,349	1,597,949	436,033	914,881	384,203	—	—	779,447	44,704
$75,000 under $100,000	1,546,776	1,545,150	27,190,258	514,025	448,385	447,031	93,669	171,557	73,142	—	—	316,229	19,848
$100,000 under $200,000	1,115,593	1,114,129	38,301,973	457,738	449,924	389,851	63,565	82,214	39,522	—	—	328,749	22,959
$200,000 under $500,000	290,946	290,592	27,302,807	158,704	485,857	108,591	14,624	11,031	5,720	—	—	100,568	7,819
$500,000 under $1,000,000	51,558	51,501	13,032,909	32,797	176,366	19,509	2,350	1,181	642	—	—	18,682	1,531
$1,000,000 or more	31,859	31,830	29,230,475	16,613	475,048	12,800	1,363	387	223	—	—	12,566	1,074
Taxable returns, total	**83,967,413**	**83,967,413**	**379,981,061**	**14,187,663**	**6,066,014**	**13,244,082**	**3,544,490**	**7,992,367**	**3,081,527**	**236,201**	**46,030**	**4,529,927**	**238,573**
No adjusted gross income	15,388	15,388	322,122	243	421	**	**	—	—	—	—	*228	*4
$1 under $5,000	3,748,910	3,748,910	457,642	*25,587	*740	**17,895	**705	—	—	—	—	*17,667	*701
$5,000 under $10,000	11,302,273	11,302,273	4,969,800	910,707	172,750	864,172	153,952	125,104	25,036	101,261	12,407	176,408	7,285
$10,000 under $15,000	12,871,560	12,871,560	12,191,499	1,867,323	437,484	1,755,965	413,421	842,383	334,928	91,727	26,503	389,224	15,468
$15,000 under $20,000	11,064,250	11,064,250	18,469,937	1,309,900	455,927	1,275,086	427,638	**2,018,300	**846,484	*43,213	*7,120	303,880	14,071
$20,000 under $25,000	9,139,455	9,139,455	22,091,093	1,489,604	489,906	1,433,577	462,050	**	**	—	—	402,774	15,663
$25,000 under $30,000	7,499,447	7,499,447	23,917,401	1,537,787	490,182	1,423,884	420,720	1,109,592	395,270	—	—	353,674	18,339
$30,000 under $40,000	11,434,253	11,434,253	50,571,693	2,405,581	740,941	2,260,347	588,280	1,589,617	544,964	—	—	744,893	36,751
$40,000 under $50,000	7,446,963	7,446,963	47,335,185	1,739,468	576,982	1,639,665	466,216	1,126,959	431,424	—	—	586,330	32,419
$50,000 under $75,000	6,414,601	6,414,601	64,605,187	1,722,614	728,234	1,596,218	435,977	914,045	384,175	—	—	778,560	44,678
$75,000 under $100,000	1,543,446	1,543,446	27,185,915	513,613	445,235	446,821	93,648	171,557	73,142	—	—	316,019	19,827
$100,000 under $200,000	1,113,163	1,113,163	38,298,250	457,352	449,099	389,590	63,551	**93,242	**45,240	—	—	328,489	22,946
$200,000 under $500,000	290,429	290,429	27,302,180	158,523	468,680	108,556	14,619	**	**	—	—	100,536	7,815
$500,000 under $1,000,000	51,467	51,467	13,032,770	32,769	168,383	**32,306	**3,713	1,181	642	—	—	**31,245	**2,605
$1,000,000 or more	31,808	31,808	29,230,388	16,592	441,049	**	**	387	223	—	—	**	**
Nontaxable returns, total	**19,077,757**	**1,836,275**	**1,242,486**	**2,671,618**	**954,717**	**2,429,960**	**556,824**	**957,450**	**315,563**	**194,268**	**39,733**	**74,719**	**3,099**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Personal credits—Continued				Foreign tax credit		General business credits		Other tax credits [1]		Income tax after credits	
	Earned income credit used to offset income tax before credits		Mortgage interest credit		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount								
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns, total	**2,507,495**	**327,600**	***4,849**	***1,790**	**423,736**	**773,939**	**679,820**	**1,115,836**	**462,771**	**1,029,642**	**83,898,079**	**360,571,264**
No adjusted gross income	—	—	—	—	—	—	32	193	143	509	489	5,525
$1 under $5,000	44,054	873	—	—	*7,920	*40	*5,919	*745	*4,767	*43	3,747,394	384,710
$5,000 under $10,000	1,851,444	291,456	—	—	*7,920	*5,639	49,912	15,456	53,499	14,281	11,300,833	4,487,091
$10,000 under $15,000	611,997	35,271	—	—	*47,520	*13,622	43,648	6,542	72,878	36,145	12,869,046	11,418,607
$15,000 under $20,000	—	—	*4,767	*1,759	*15,840	*9,575	33,967	16,363	57,527	63,334	11,063,590	17,308,472
$20,000 under $25,000	—	—	—	—	*7,921	*63	60,047	25,635	38,572	61,819	9,136,875	20,858,745
$25,000 under $30,000	—	—	—	—	*35,154	*13,047	54,826	10,486	59,139	102,022	7,497,653	22,813,698
$30,000 under $40,000	—	—	—	—	*55,438	*28,647	92,945	65,593	66,892	140,569	11,423,883	48,445,289
$40,000 under $50,000	—	—	—	—	*66,834	*11,146	55,645	39,537	26,436	78,039	7,444,139	45,476,514
$50,000 under $75,000	—	—	—	—	50,994	113,948	90,640	94,109	31,144	92,259	6,397,981	61,896,054
$75,000 under $100,000	—	—	—	—	*39,599	*205,223	56,353	78,241	16,887	71,253	1,536,195	25,661,208
$100,000 under $200,000	—	—	*11	*13	51,011	109,590	78,576	186,258	17,922	90,510	1,108,302	35,988,579
$200,000 under $500,000	—	—	*62	*8	27,662	144,778	39,948	211,428	11,717	115,026	288,796	25,977,492
$500,000 under $1,000,000	—	—	*4	*9	8,120	13,346	9,597	108,576	3,008	52,094	51,201	12,456,584
$1,000,000 or more	—	—	*5	*1	1,803	105,273	7,765	256,673	2,240	111,738	31,702	27,392,697
Taxable returns, total	**1,103,816**	**143,357**	†	†	**407,672**	**680,480**	**603,854**	**1,056,389**	**284,013**	**784,655**	**83,898,079**	**360,571,264**
No adjusted gross income	—	—	—	—	—	—	*19	*141	*15	*276	489	5,525
$1 under $5,000	—	—	—	—	*7,920	*40	—	—	—	—	3,747,394	384,710
$5,000 under $10,000	540,636	109,224	—	—	*7,920	*5,639	*26,123	*8,273	*20,214	*4,886	11,300,833	4,487,091
$10,000 under $15,000	563,180	34,133	—	—	**63,360	**14,176	35,658	2,926	*40,868	*16,600	12,869,046	11,418,607
$15,000 under $20,000	—	—	†	†	**	**	24,545	7,661	*16,751	*11,053	11,063,590	17,308,472
$20,000 under $25,000	—	—	—	—	**	**	45,149	12,569	*14,535	*15,224	9,136,875	20,858,745
$25,000 under $30,000	—	—	—	—	*35,154	*13,047	54,585	10,471	35,394	45,943	7,497,653	22,813,698
$30,000 under $40,000	—	—	—	—	**305,955	**443,293	82,756	47,921	51,005	101,311	11,423,883	48,445,289
$40,000 under $50,000	—	—	—	—	**	**	55,348	39,477	22,790	60,143	7,444,139	45,476,514
$50,000 under $75,000	—	—	—	—	**	**	87,925	86,288	30,931	92,020	6,397,981	61,896,054
$75,000 under $100,000	—	—	—	—	**	**	56,143	78,150	16,685	68,215	1,536,195	25,661,208
$100,000 under $200,000	—	—	†	†	**	**	78,301	185,873	**29,577	**205,153	1,108,302	35,988,579
$200,000 under $500,000	—	—	†	†	27,489	127,647	39,940	211,389	**	**	288,796	25,977,492
$500,000 under $1,000,000	—	—	†	†	8,092	5,363	9,597	108,576	3,008	52,094	51,201	12,456,584
$1,000,000 or more	—	—	†	†	1,782	71,274	7,765	256,673	2,240	111,738	31,702	27,392,697
Nontaxable returns, total	**1,403,679**	**184,243**	†	†	**16,064**	**93,459**	**75,966**	**59,447**	**178,758**	**244,987**	—	—

Footnote(s) at end of table.

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax		Alternative minimum tax		All other taxes							
					Total		Tax from recomputing prior-year investment credit		Penalty tax on Individual Retirement Arrangements		Self-employment tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All returns, total	**83,967,413**	**367,287,213**	**608,907**	**6,713,149**	**11,136,924**	**14,137,225**	**842,614**	**426,109**	**428,112**	**142,731**	**10,139,954**	**13,529,895**
No adjusted gross income	15,388	308,483	14,775	302,408	191,422	228,359	26,787	41,318	15,226	5,998	159,637	172,992
$1 under $5,000	3,748,910	397,477	1,573	12,767	963,793	322,952	23,938	3,745	*20,271	*2,134	912,396	316,249
$5,000 under $10,000	11,302,273	4,501,830	2,053	14,739	1,379,921	880,606	50,638	14,630	26,982	9,879	1,281,466	842,371
$10,000 under $15,000	12,871,560	11,438,531	7,900	19,924	1,109,143	909,519	46,065	7,462	*28,183	*6,977	1,056,875	894,140
$15,000 under $20,000	11,064,250	17,340,658	3,566	32,186	1,214,141	1,269,519	80,627	37,682	31,626	7,562	1,116,072	1,218,973
$20,000 under $25,000	9,139,455	20,882,788	3,818	24,043	1,092,938	1,301,694	38,923	5,529	*22,590	*6,441	1,036,066	1,285,566
$25,000 under $30,000	7,499,447	22,850,962	8,766	37,264	897,130	1,114,521	28,681	7,684	35,798	7,843	849,190	1,098,286
$30,000 under $40,000	11,434,253	48,628,503	62,900	183,214	1,484,831	2,019,613	109,246	38,423	77,744	20,652	1,348,367	1,960,376
$40,000 under $50,000	7,446,963	45,744,224	80,645	267,710	944,345	1,616,308	75,229	42,937	64,093	26,775	845,097	1,546,036
$50,000 under $75,000	6,414,601	62,459,834	122,355	563,779	1,007,948	2,149,638	108,000	32,977	76,864	31,416	876,538	2,083,757
$75,000 under $100,000	1,543,446	26,280,965	101,868	619,757	348,779	909,293	68,781	33,880	19,528	7,467	287,685	867,859
$100,000 under $200,000	1,113,163	37,289,197	126,127	1,298,520	357,412	1,012,776	101,096	53,891	8,163	8,413	285,585	950,374
$200,000 under $500,000	290,429	27,066,736	46,874	1,089,229	108,071	236,071	58,093	37,538	835	835	62,095	196,762
$500,000 under $1,000,000	51,467	12,928,118	10,428	471,534	25,187	104,791	18,133	23,802	114	76	17,514	80,881
$1,000,000 or more	31,808	29,168,908	15,259	1,776,075	11,863	61,566	8,577	44,613	95	262	5,371	15,273
Taxable returns, total	**83,967,413**	**367,287,213**	**608,907**	**6,713,149**	**9,150,878**	**12,693,848**	**755,328**	**367,849**	**373,976**	**128,039**	**8,272,969**	**12,177,994**
No adjusted gross income	15,388	308,483	14,775	302,408	7,410	13,640	3,872	4,070	*64	*74	3,963	8,450
$1 under $5,000	3,748,910	397,477	1,573	12,767	137,310	60,166	*3,072	*1,903	—	—	132,426	57,752
$5,000 under $10,000	11,302,273	4,501,830	2,053	14,739	783,241	467,970	30,441	4,756	*21,361	*5,939	706,948	454,218
$10,000 under $15,000	12,871,560	11,438,531	7,900	19,924	935,625	752,967	35,039	5,666	*17,266	*5,161	892,196	741,201
$15,000 under $20,000	11,064,250	17,340,658	3,566	32,186	1,116,882	1,129,279	74,197	35,598	*29,749	*7,122	1,028,258	1,081,731
$20,000 under $25,000	9,139,455	20,882,788	3,818	24,043	1,048,109	1,208,305	38,408	5,451	*22,590	*6,441	991,551	1,192,256
$25,000 under $30,000	7,499,447	22,850,962	8,766	37,264	872,395	1,066,440	26,324	5,902	35,798	7,843	826,369	1,051,987
$30,000 under $40,000	11,434,253	48,628,503	62,900	183,214	1,460,153	1,943,190	108,044	37,752	77,542	20,412	1,324,277	1,884,863
$40,000 under $50,000	7,446,963	45,744,224	80,645	267,710	936,631	1,590,960	75,041	42,899	64,085	26,767	837,520	1,520,734
$50,000 under $75,000	6,414,601	62,459,834	122,355	563,779	1,004,699	2,145,353	106,660	32,675	**96,331	*38,799	873,672	2,079,859
$75,000 under $100,000	1,543,446	26,280,965	101,868	619,757	347,075	904,950	68,718	33,419	**	**	286,043	863,977
$100,000 under $200,000	1,113,163	37,289,197	126,127	1,298,520	356,446	1,009,053	100,803	52,053	8,155	8,403	284,903	948,498
$200,000 under $500,000	290,429	27,066,736	46,874	1,089,229	107,908	235,444	58,027	37,389	826	739	61,991	196,407
$500,000 under $1,000,000	51,467	12,928,118	10,428	471,534	25,153	104,652	18,118	23,730	114	76	17,492	80,817
$1,000,000 or more	31,808	29,168,908	15,259	1,776,075	11,841	61,479	8,564	44,586	95	262	5,360	15,245
Nontaxable returns, total	—	—	—	—	**1,986,046**	**1,443,377**	**87,486**	**58,260**	**54,136**	**14,692**	**1,866,985**	**1,351,900**

Footnote(s) at end of table.

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All other taxes—Continued		Earned income credit used to offset other taxes		Number of returns without tax liability	Taxpayments					
	Social security taxes on tip income					Total		Income tax withheld		Estimated tax payments	
	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**152,173**	**20,674**	**667,489**	**200,891**	**17,241,482**	**95,023,937**	**403,872,796**	**87,986,908**	**315,084,604**	**11,824,815**	**69,891,346**
No adjusted gross income	504	2,199	25,330	7,446	763,290	478,008	1,379,325	305,681	648,335	104,885	485,579
$1 under $5,000	*19,068	*825	244,861	74,873	11,481,672	12,327,586	2,823,105	11,911,534	2,479,200	427,688	305,307
$5,000 under $10,000	*39,285	*3,271	377,754	117,057	4,086,536	13,540,004	9,321,581	12,260,497	8,203,127	1,411,924	1,059,262
$10,000 under $15,000	*7,723	*939	*19,544	*1,516	660,974	12,952,161	16,818,230	11,839,681	15,116,154	1,569,052	1,644,625
$15,000 under $20,000	*30,159	*5,301	—	—	128,742	10,999,146	22,916,698	9,956,153	20,209,564	1,552,235	2,597,297
$20,000 under $25,000	*24,253	*4,157	—	—	37,147	9,028,267	26,694,545	8,369,444	23,889,933	1,266,204	2,651,860
$25,000 under $30,000	*8,548	*708	—	—	34,819	7,497,569	28,961,076	7,068,281	26,324,103	863,222	2,489,792
$30,000 under $40,000	*8,547	*163	—	—	30,698	11,397,796	59,401,042	10,820,308	53,998,147	1,294,688	5,168,466
$40,000 under $50,000	*4,199	*560	—	—	4,099	7,409,802	52,129,361	7,010,613	47,765,652	960,957	5,046,648
$50,000 under $75,000	7,705	1,367	—	—	9,975	6,381,999	68,777,306	5,930,662	58,425,294	1,176,289	9,501,762
$75,000 under $100,000	*1,316	*88	—	—	1,626	1,531,648	26,638,617	1,331,475	19,481,875	481,898	6,175,379
$100,000 under $200,000	*647	*98	—	—	1,464	1,108,324	33,949,709	910,808	21,334,694	490,041	10,118,849
$200,000 under $500,000	*132	*868	—	—	354	288,676	21,998,853	220,957	10,906,381	162,482	8,346,143
$500,000 under $1,000,000	72	29	—	—	57	51,214	10,785,389	34,096	3,109,636	37,228	5,734,791
$1,000,000 or more	*15	*102	—	—	29	31,737	20,277,960	18,718	3,102,509	26,022	8,565,585
Taxable returns, total	**131,056**	**17,489**	**—**	**—**	**—**	**80,546,106**	**397,351,602**	**74,455,392**	**310,087,179**	**10,991,225**	**68,560,785**
No adjusted gross income	*8	*16	—	—	—	11,862	371,922	5,725	65,211	6,526	141,841
$1 under $5,000	*4,767	*510	—	—	—	2,887,361	1,091,459	2,753,060	981,610	160,666	95,237
$5,000 under $10,000	*36,329	*3,058	—	—	—	9,989,400	7,325,089	9,042,910	6,538,873	1,098,179	747,925
$10,000 under $15,000	*7,723	*939	—	—	—	12,305,258	16,135,688	11,254,247	14,537,769	1,509,054	1,554,464
$15,000 under $20,000	*26,795	*4,827	—	—	—	10,811,481	22,573,740	9,817,931	19,960,536	1,510,998	2,509,015
$20,000 under $25,000	*24,253	*4,157	—	—	—	8,961,068	26,504,692	8,320,090	23,790,147	1,250,365	2,575,303
$25,000 under $30,000	*8,548	*708	—	—	—	7,444,110	28,799,255	7,031,004	26,218,897	849,120	2,435,929
$30,000 under $40,000	*8,547	*163	—	—	—	11,360,023	59,236,802	10,791,902	53,904,252	1,283,993	5,107,382
$40,000 under $50,000	*4,199	*560	—	—	—	7,398,104	53,048,801	7,001,362	47,723,029	956,698	5,018,514
$50,000 under $75,000	7,705	1,367	—	—	—	6,371,322	68,688,384	5,922,646	58,368,023	1,171,301	9,475,649
$75,000 under $100,000	*1,316	*88	—	—	—	1,528,945	26,616,335	1,331,076	19,476,848	479,641	6,159,418
$100,000 under $200,000	*647	*98	—	—	—	1,106,029	33,918,864	909,990	21,320,652	489,170	10,105,549
$200,000 under $500,000	*132	*868	—	—	—	288,291	21,988,127	220,700	10,902,261	162,320	8,340,967
$500,000 under $1,000,000	72	29	—	—	—	51,147	10,781,545	34,057	3,108,335	37,186	5,733,209
$1,000,000 or more	*15	*102	—	—	—	31,705	20,270,901	18,692	3,190,737	26,008	8,560,383
Nontaxable returns, total	**21,117**	**3,185**	**667,489**	**200,891**	**17,241,482**	**14,477,831**	**6,521,194**	**13,533,516**	**4,997,424**	**833,590**	**1,330,561**

Footnote(s) at end of table.

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued										Earned income credit, refundable portion	
	Payment with request for extension of filing time		Excess social security taxes withheld		Credit for tax on certain gasoline, fuel, and oil		Credit from regulated investment companies		Overpayment of windfall profit tax		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**985,477**	**18,035,005**	**883,211**	**676,783**	**850,279**	**127,086**	**55,591**	**39,478**	**58,471**	**14,253**	**4,648,129**	**1,478,559**
No adjusted gross income	17,121	205,633	3,059	3,881	133,548	33,237	143	768	1,747	1,859	20,827	6,031
$1 under $5,000	47,544	28,235	*614	*842	83,596	8,210	*4,767	*1,206	*57	*1	1,865,679	549,430
$5,000 under $10,000	51,645	37,607	*4,769	*1,240	129,396	15,921	*4,768	*157	*15,447	*161	2,623,057	914,622
$10,000 under $15,000	47,398	48,867	*854	*71	55,032	6,484	*2,956	*1,995	*4,768	*34	138,566	8,476
$15,000 under $20,000	79,047	102,384	*836	*742	86,212	6,711	—	—	*9	*()	—	—
$20,000 under $25,000	62,205	141,715	*9,656	*2,844	77,653	7,082	*4,776	*964	*1,023	*147	—	—
$25,000 under $30,000	51,860	120,246	*6,186	*11,121	91,399	12,944	*2,663	*2,603	*5,242	*267	—	—
$30,000 under $40,000	87,373	211,099	21,433	7,745	82,333	14,559	*7,920	*919	*2,023	*107	—	—
$40,000 under $50,000	78,071	262,736	164,591	50,090	39,623	3,557	*3,955	*373	*4,000	*306	—	—
$50,000 under $75,000	143,264	632,413	383,845	203,845	45,659	9,935	9,834	2,024	9,394	2,032	—	—
$75,000 under $100,000	92,199	833,123	129,959	127,422	11,342	3,584	6,076	16,543	2,923	690	—	—
$100,000 under $200,000	144,485	2,314,992	115,906	172,090	8,913	2,492	5,518	1,815	7,401	4,775	—	—
$200,000 under $500,000	61,131	2,674,537	31,554	64,710	4,136	1,403	1,554	3,947	3,163	1,732	—	—
$500,000 under $1,000,000	12,422	1,922,507	6,059	15,544	814	428	282	1,925	771	558	—	—
$1,000,000 or more	9,712	8,498,910	3,890	14,594	623	541	379	4,239	503	1,582	—	—
Taxable returns, total	**901,707**	**17,912,788**	**877,779**	**670,914**	**471,133**	**66,594**	**55,500**	**39,349**	**37,182**	**12,289**	—	—
No adjusted gross income	3,331	162,400	721	1,216	502	99	*67	*693	166	462	—	—
$1 under $5,000	22,156	13,390	**	**	*16	*12	*4,767	*1,206	*57	*1	—	—
$5,000 under $10,000	36,861	30,910	**4,770	**1,243	*29,522	*4,280	*4,768	*157	—	—	—	—
$10,000 under $15,000	38,785	37,252	*614	*31	37,125	4,142	*2,956	*1,995	*4,768	*34	—	—
$15,000 under $20,000	70,797	98,926	—	—	69,334	5,263	—	—	*9	*()	—	—
$20,000 under $25,000	54,853	130,021	**15,842	**13,509	65,399	5,866	*4,776	*964	*204	*2	—	—
$25,000 under $30,000	51,015	119,544	**	**	81,303	11,133	*2,663	*2,603	*1,878	*28	—	—
$30,000 under $40,000	85,225	202,312	**185,769	**57,830	77,461	14,084	*7,920	*919	*2,023	*107	—	—
$40,000 under $50,000	76,700	253,176	**	**	**95,409	**16,856	*3,955	*373	*3,943	*286	—	—
$50,000 under $75,000	142,941	627,681	383,538	203,041	**	**	9,825	2,022	9,386	2,032	—	—
$75,000 under $100,000	92,068	831,967	129,850	127,285	**	**	6,076	16,543	2,923	690	—	—
$100,000 under $200,000	143,774	2,311,569	115,889	172,013	8,896	2,491	5,518	1,815	7,401	4,775	—	—
$200,000 under $500,000	61,083	2,673,242	31,510	64,630	**5,566	**2,366	**1,830	**5,820	**4,424	**3,871	—	—
$500,000 under $1,000,000	12,411	1,921,553	6,055	15,538	**	**	**	**	**	**	—	—
$1,000,000 or more	9,707	8,498,843	3,885	14,579	**	**	379	4,239	**	**	—	—
Nontaxable returns, total	**83,770**	**122,217**	**5,432**	**5,869**	**379,146**	**60,492**	**91**	**129**	**21,289**	**1,964**	**4,648,129**	**1,478,559**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Advance earned income credit payments		Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Number of returns	Amount	Total		Refunded		Credited to 1987 estimated tax		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
All returns, total	**1,266**	**2,400**	**78,104,770**	**77,628,666**	**75,439,727**	**69,522,051**	**4,144,260**	**8,106,615**	**21,459,867**	**53,819,242**	**2,339,278**	**315,984**
No adjusted gross income	*5	*47	421,458	1,070,119	388,194	934,452	43,562	135,667	123,311	215,794	12,107	1,587
$1 under $5,000	—	—	12,180,652	3,009,552	12,084,351	2,941,672	153,503	67,880	1,680,095	283,499	32,306	925
$5,000 under $10,000	—	—	12,304,906	5,927,911	11,977,876	5,736,791	510,273	191,120	2,895,712	964,744	189,419	7,657
$10,000 under $15,000	—	—	11,151,248	5,832,934	10,709,035	5,619,350	564,051	213,584	2,419,062	1,366,670	313,273	13,907
$15,000 under $20,000	—	—	8,939,875	6,073,133	8,596,056	5,773,587	501,980	299,546	2,321,772	1,785,731	281,483	19,119
$20,000 under $25,000	—	—	7,242,149	6,335,954	6,956,722	6,067,683	442,933	268,270	1,959,941	1,847,699	265,600	21,808
$25,000 under $30,000	—	—	5,998,977	6,797,332	5,778,775	6,443,696	334,633	353,637	1,556,160	1,814,551	149,976	12,813
$30,000 under $40,000	—	—	8,730,670	12,451,303	8,410,108	11,801,467	456,143	649,836	2,732,275	3,733,624	352,422	35,247
$40,000 under $50,000	—	—	5,424,350	9,307,417	5,231,758	8,782,167	298,439	525,250	2,031,099	3,566,913	201,252	28,325
$50,000 under $75,000	*836	*54	4,279,018	10,058,599	4,053,698	9,120,037	419,233	938,562	2,143,127	5,931,059	254,998	40,242
$75,000 under $100,000	*202	*503	827,410	3,392,064	749,617	2,709,115	175,943	682,949	715,695	3,968,098	114,349	23,889
$100,000 under $200,000	*202	*1,759	467,109	3,240,185	399,034	2,260,403	157,669	979,782	645,381	7,650,223	122,517	56,016
$200,000 under $500,000	*10	*32	103,243	1,655,803	80,219	804,138	59,142	851,666	186,825	6,993,207	39,793	33,418
$500,000 under $1,000,000	*8	*4	23,569	1,261,636	18,453	224,322	18,678	1,037,314	27,798	3,518,523	6,477	9,363
$1,000,000 or more	3	2	10,136	1,214,723	5,831	303,172	8,078	911,552	21,614	10,178,908	3,306	11,668
Taxable returns, total	***1,261**	***2,353**	**63,705,598**	**70,199,512**	**61,245,689**	**62,403,507**	**3,822,945**	**7,796,005**	**20,162,969**	**53,140,381**	**2,191,732**	**309,057**
No adjusted gross income	—	—	7,633	149,035	5,733	99,432	4,201	49,603	7,745	99,874	2,177	639
$1 under $5,000	—	—	2,646,362	801,553	2,605,894	768,177	70,324	33,375	1,088,245	168,211	19,612	475
$5,000 under $10,000	—	—	8,752,632	3,162,135	8,515,263	3,058,040	369,578	104,095	2,535,337	812,880	139,433	6,033
$10,000 under $15,000	—	—	10,542,802	5,207,617	10,113,091	5,011,467	535,634	196,150	2,314,455	1,276,588	284,863	13,160
$15,000 under $20,000	—	—	8,794,132	5,790,638	8,454,173	5,503,652	435,426	286,986	2,255,817	1,704,792	258,718	17,958
$20,000 under $25,000	—	—	7,191,801	6,202,611	6,911,676	5,948,098	436,213	254,513	1,934,755	1,809,776	252,872	20,763
$25,000 under $30,000	—	—	5,957,516	6,645,836	5,739,340	6,297,230	330,172	348,606	1,541,931	1,776,521	145,931	12,538
$30,000 under $40,000	—	—	8,702,158	12,324,554	8,384,101	11,692,332	451,861	632,222	2,716,818	3,694,419	348,502	34,973
$40,000 under $50,000	—	—	5,415,100	9,244,046	5,223,441	8,734,123	294,850	509,923	2,028,593	3,558,607	199,845	28,177
$50,000 under $75,000	*836	*54	4,268,712	9,973,902	4,043,764	9,041,810	417,118	932,092	2,142,752	5,930,768	253,413	40,009
$75,000 under $100,000	*202	*503	825,378	3,373,374	747,706	2,692,511	174,967	680,863	714,970	3,967,326	114,295	23,869
$100,000 under $200,000	*202	*1,759	464,875	3,213,015	397,361	2,242,035	156,840	970,980	645,362	7,650,174	122,514	56,016
$200,000 under $500,000	*10	*32	102,886	1,645,538	79,929	796,057	59,040	849,481	186,781	6,993,038	**49,557	**54,447
$500,000 under $1,000,000	*8	*4	23,506	1,257,912	18,408	221,985	18,654	1,035,928	**49,408	**13,697,407	**	**
$1,000,000 or more	3	2	10,105	1,207,746	5,809	296,559	8,067	911,187	**	**	**	**
Nontaxable returns, total	***5**	***47**	**14,399,172**	**7,429,154**	**14,194,038**	**7,118,544**	**321,315**	**310,610**	**1,296,898**	**678,862**	**147,546**	**6,927**

*Estimate should be used with caution because of the small number of sample returns on which it is based.
**Data combined to avoid disclosure of information for specific taxpayers.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
( ) Less than $500.
1 This field has Form 3800 data where we did not receive back-up schedules.
NOTE: Detail may not add to total because of rounding.

Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

All returns

Tax rate classes	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate [1]	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All marginal rates	**97,358,296**	**2,508,406,247**	**1,939,308,023**	**310,652,210**	**365,761,670**	**99,789,217**	**360,500,996**	**14.4**	**18.6**	**97,358,296**	**1,939,308,023**	**365,761,670**
0 percent	10,818,589	43,718,131	15,883,137	15,883,137	—	—	41,066	0.1	0.3	97,358,296	281,591,770	—
11 percent	6,764,095	45,528,276	25,100,399	5,924,515	646,189	651,697	451,610	1.0	1.8	86,539,707	153,243,162	16,856,748
12 percent	5,916,203	52,184,138	32,515,533	4,833,101	1,733,575	579,972	1,388,178	2.7	4.3	79,775,612	138,094,218	16,571,306
14 percent	10,359,803	124,417,615	85,191,877	17,450,214	6,637,218	2,443,030	6,181,953	5.0	7.3	73,859,409	243,611,000	34,105,540
15 percent	3,811,370	37,133,702	30,609,865	3,913,205	2,781,242	586,981	2,734,834	7.4	8.9	23,415,492	46,258,108	6,938,716
16 percent	8,544,174	147,916,838	110,676,895	15,304,632	11,379,797	2,448,741	11,141,640	7.5	10.1	54,624,118	187,442,543	29,990,807
17 percent	1,438,030	21,502,672	15,818,352	2,333,367	1,621,106	396,672	1,338,650	6.2	8.5	5,064,118	14,444,501	2,455,565
18 percent	8,877,093	191,985,648	147,703,436	15,795,402	17,307,553	2,843,172	16,763,827	8.7	11.3	49,706,032	167,521,881	30,153,939
20 percent	3,511,964	65,156,144	55,025,643	4,279,459	7,122,437	855,892	6,995,370	10.7	12.7	15,665,787	33,857,821	6,771,564
22 percent	5,567,590	175,825,880	133,750,745	13,158,556	17,791,923	2,894,882	17,378,945	9.9	13.0	25,163,152	105,530,346	23,216,676
23 percent	3,011,257	61,594,690	53,593,430	4,873,866	7,616,314	1,120,989	7,597,868	12.3	14.2	10,468,074	30,599,885	7,037,973
24 percent	863,211	24,504,019	19,290,202	2,348,871	2,921,298	563,729	2,800,663	11.4	14.5	1,685,749	7,053,788	1,692,909
25 percent	5,737,316	216,176,714	167,028,883	15,625,910	25,227,654	3,906,477	24,776,414	11.5	14.8	19,595,562	94,233,396	23,558,349
26 percent	3,426,577	87,644,942	76,010,051	8,777,775	12,385,793	2,282,221	12,387,813	14.1	16.3	7,456,817	31,830,747	8,275,994
28 percent	4,889,100	212,448,541	166,792,832	13,119,406	28,299,660	3,673,434	27,966,334	13.2	16.8	14,680,784	68,559,410	19,196,635
30 percent	1,842,491	59,156,680	51,129,721	4,458,004	9,503,615	1,337,401	9,516,655	16.1	18.6	4,030,240	16,971,929	5,091,579
32 percent	181,332	7,537,722	6,043,900	415,772	1,165,997	133,047	1,150,795	15.3	19.0	395,762	1,642,311	525,540
33 percent	5,021,742	269,107,828	213,377,045	24,311,906	41,703,198	8,022,929	41,433,600	15.4	19.4	9,395,922	73,874,453	24,378,570
34 percent	973,982	37,574,225	32,628,474	2,374,499	6,797,905	807,330	6,794,485	18.1	20.8	2,187,749	9,317,246	3,167,864
35 percent	123,390	6,420,606	5,130,354	590,697	1,136,663	206,744	1,129,588	17.6	22.0	214,430	1,632,194	571,268
38 percent	2,884,346	188,878,923	150,901,309	16,272,696	35,030,405	6,183,624	34,796,819	18.4	23.1	5,587,947	52,512,295	19,954,672
42 percent	1,579,796	135,035,190	107,475,891	14,481,787	29,470,529	6,082,350	29,177,820	21.6	27.1	2,794,641	43,624,959	18,322,483
45 percent	356,285	46,156,672	35,985,674	3,817,590	11,434,725	1,717,915	11,418,429	24.7	31.7	917,626	18,022,986	8,110,344
48 percent	169,394	14,824,232	12,168,037	1,882,148	3,919,317	903,431	3,902,846	26.3	32.1	315,799	6,069,331	2,913,279
49 percent	285,528	50,364,264	40,008,177	6,629,325	14,421,865	3,248,369	14,359,180	28.5	35.9	542,761	21,142,881	10,360,012
50 percent	403,638	185,619,958	149,468,161	91,796,371	67,705,692	45,898,185	66,875,611	36.0	44.7	403,638	91,796,371	45,898,185

Joint returns and returns of surviving spouses

Tax rate classes	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate [1]	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All marginal rates	**45,966,740**	**1,735,344,083**	**1,314,517,761**	**215,858,213**	**264,897,765**	**75,062,926**	**261,312,063**	**15.1**	**19.9**	**45,966,740**	**1,314,517,761**	**264,897,765**
0 percent	2,579,641	19,286,850	5,406,788	5,406,788	—	—	35,340	0.2	0.7	45,966,740	164,637,441	—
11 percent	2,081,482	21,852,592	10,063,941	2,433,502	265,752	267,685	197,961	0.9	2.0	43,387,099	96,197,253	10,581,698
12 percent	2,135,056	26,667,852	14,926,411	2,258,298	802,029	270,996	724,372	2.7	4.9	41,305,617	90,783,766	10,894,052
14 percent	4,712,465	77,454,179	49,841,583	11,223,375	4,020,746	1,571,272	3,851,006	5.0	7.7	39,170,561	171,108,940	23,955,252
15 percent	—	—	—	—	—	—	—	—	—	—	—	—
16 percent	4,722,065	101,225,420	71,196,175	10,602,701	7,217,772	1,696,432	7,011,983	6.9	9.8	34,458,096	142,333,319	22,773,331
17 percent	—	—	—	—	—	—	—	—	—	—	—	—
18 percent	4,934,057	129,849,588	96,159,593	11,019,566	11,239,410	1,983,522	10,902,486	8.4	11.3	29,736,031	123,372,508	22,207,051
20 percent	—	—	—	—	—	—	—	—	—	—	—	—
22 percent	5,504,151	174,899,399	133,008,800	13,108,096	17,695,377	2,883,781	17,282,321	9.9	13.0	24,801,974	104,772,756	23,050,006
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	5,670,934	214,990,112	166,060,217	15,538,465	25,081,688	3,884,616	24,630,651	11.5	14.8	19,297,823	93,484,270	23,371,067
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	4,397,156	195,846,390	153,659,595	11,842,911	26,025,837	3,316,015	25,724,491	13.1	16.7	13,626,889	64,544,687	18,072,512
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
33 percent	4,939,132	266,961,334	211,629,201	24,128,151	41,364,452	7,962,290	41,095,269	15.4	19.4	9,229,733	73,212,627	24,160,167
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
38 percent	2,293,039	161,177,999	127,629,038	14,374,788	29,613,791	5,462,419	29,357,456	18.2	23.0	4,290,601	44,997,413	17,099,017
42 percent	1,134,504	108,006,664	85,278,777	11,866,319	23,534,734	4,983,854	23,225,033	21.5	27.2	1,997,562	35,703,981	14,995,672
45 percent	332,588	44,037,411	34,343,353	3,639,233	10,931,470	1,637,655	10,899,986	24.8	31.7	863,058	17,261,703	7,767,766
48 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	280,236	49,879,171	39,628,939	6,562,225	14,284,507	3,215,490	14,221,907	28.5	35.9	530,470	20,875,609	10,229,049
50 percent	250,234	143,209,121	115,685,350	71,853,795	52,820,200	35,926,897	52,151,802	36.4	45.1	250,234	71,853,795	35,926,897

Footnote(s) at end of table

Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Separate returns of husbands and wives

Tax rate classes	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate [1]	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	**913,589**	**16,629,743**	**12,751,307**	**3,113,256**	**2,979,013**	**1,266,837**	**2,938,037**	**17.7**	**23.0**	**913,589**	**12,751,307**	**2,979,013**
0 percent	75,623	251,351	81,482	81,482	—	—	[2]	[3]	[3]	913,589	1,619,150	—
11 percent	88,106	423,886	210,661	49,798	5,341	5,478	5,403	1.3	2.6	837,966	900,889	99,098
12 percent	55,136	393,722	199,291	36,431	11,128	4,372	10,769	2.7	5.4	749,860	821,469	98,576
14 percent	132,824	966,551	667,845	125,816	51,796	17,614	51,448	5.3	7.7	694,724	1,429,424	200,119
15 percent	—	—	—	—	—	—	—	—	—	—	—	—
16 percent	87,898	891,337	639,558	77,493	63,465	12,399	58,409	6.6	9.1	561,900	1,127,408	180,385
17 percent	—	—	—	—	—	—	—	—	—	—	—	—
18 percent	112,824	1,337,379	1,074,716	106,527	124,096	19,175	119,643	8.9	11.1	474,002	924,595	166,427
20 percent	—	—	—	—	—	—	—	—	—	—	—	—
22 percent	63,439	926,481	741,945	50,460	96,546	11,101	96,624	10.4	13.0	361,178	757,590	166,670
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	66,382	1,186,602	968,666	87,445	145,966	21,861	145,763	12.3	15.0	297,739	749,126	187,282
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	65,168	1,519,547	1,133,952	92,557	191,506	25,916	186,029	12.2	16.4	231,357	567,026	158,767
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
33 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	82,610	2,146,494	1,747,844	183,755	338,746	60,639	338,332	15.8	19.4	166,189	661,827	218,403
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
38 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	28,921	948,903	791,584	83,080	181,699	31,571	181,616	19.1	22.9	83,579	502,034	190,773
45 percent	37,915	1,639,191	1,362,901	137,496	367,166	57,748	366,337	22.3	26.9	54,658	368,716	154,861
48 percent	4,452	298,809	222,012	16,479	69,633	7,415	68,736	23.0	31.0	16,743	174,295	78,433
49 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent	5,292	485,092	379,238	67,100	137,358	32,879	137,273	28.3	36.2	12,291	267,272	130,963
	6,999	3,214,397	2,529,612	1,917,338	1,194,566	958,669	1,171,656	36.5	46.3	6,999	1,917,338	958,669

Returns of heads of households

Tax rate classes	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate [1]	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All marginal rates	**9,428,313**	**161,327,969**	**118,055,236**	**17,765,737**	**17,067,033**	**4,006,076**	**15,628,950**	**9.7**	**13.2**	**9,428,313**	**118,055,236**	**17,067,033**
0 percent	1,050,270	4,773,196	1,354,383	1,354,383	—	—	1,329	[3]	0.1	9,428,313	22,131,930	—
11 percent	1,140,224	7,999,504	4,189,346	1,364,491	149,181	150,094	26,444	0.3	0.6	8,378,043	17,794,340	1,957,377
12 percent	1,104,804	10,549,733	6,439,836	1,201,578	418,673	144,189	167,085	1.6	2.6	7,237,819	15,062,192	1,807,463
14 percent	1,068,897	12,885,204	8,645,726	1,166,013	717,758	163,242	458,193	3.6	5.3	6,133,015	13,218,613	1,850,606
15 percent	—	—	—	—	—	—	—	—	—	—	—	—
16 percent	—	—	—	—	—	—	—	—	—	—	—	—
17 percent	1,438,030	21,502,672	15,818,352	2,333,367	1,621,106	396,672	1,338,650	6.2	8.5	5,064,118	14,444,501	2,455,565
18 percent	1,110,010	20,605,991	15,895,887	1,772,597	1,895,679	319,068	1,700,598	8.3	10.7	3,626,088	10,478,227	1,886,081
20 percent	830,329	18,855,285	14,717,488	1,278,465	1,952,635	255,693	1,806,910	9.6	12.3	2,516,078	7,094,299	1,418,860
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	863,211	24,504,019	19,290,202	2,348,871	2,921,298	563,729	2,800,663	11.4	14.5	1,685,749	7,053,788	1,692,909
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	426,776	15,082,604	11,999,285	1,183,938	2,082,317	331,503	2,055,814	13.6	17.1	822,538	3,447,697	965,355
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
33 percent	181,332	7,537,722	6,043,900	415,772	1,165,997	133,047	1,150,795	15.3	19.0	395,762	1,642,311	525,540
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
38 percent	123,390	6,420,606	5,130,354	590,697	1,136,663	206,744	1,129,588	17.6	22.0	214,430	1,632,194	571,268
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
45 percent	53,215	3,571,790	2,876,199	317,251	744,114	133,246	740,766	20.7	25.8	91,040	965,950	405,699
48 percent	19,245	1,820,452	1,420,309	161,878	433,621	72,845	449,707	24.7	31.7	37,825	586,989	264,145
49 percent	7,314	960,941	754,316	110,634	264,596	53,104	262,434	27.3	34.8	18,580	432,841	207,764
50 percent	—	—	—	—	—	—	—	—	—	—	—	—
	11,266	4,258,251	3,479,653	2,165,802	1,563,394	1,082,901	1,539,974	36.2	44.3	11,266	2,165,802	1,082,901

Footnote(s) at end of table

Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate [1]	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	**41,049,654**	**595,104,453**	**493,983,718**	**73,915,002**	**80,817,858**	**19,453,378**	**80,621,946**	**13.5**	**16.3**	**41,049,654**	**493,983,718**	**80,817,858**
0 percent	7,113,055	19,406,734	9,040,483	9,040,483	—	—	4,398	[2]	[3]	41,049,654	93,203,249	—
11 percent	3,454,283	15,244,294	10,636,451	2,076,724	225,915	228,440	221,803	1.5	2.1	33,936,599	38,350,680	4,218,575
12 percent	2,621,207	14,572,831	10,949,995	1,336,793	501,745	160,415	485,952	3.3	4.4	30,482,316	31,426,791	3,771,215
14 percent	4,445,617	33,111,681	26,036,724	4,935,010	1,846,918	690,901	1,821,308	5.5	7.0	27,861,109	57,854,022	8,099,563
15 percent	3,811,370	37,133,702	30,609,865	3,913,205	2,781,242	586,981	2,734,834	7.4	8.9	23,415,492	46,258,108	6,938,716
16 percent	3,734,211	45,800,080	38,841,162	4,624,438	4,098,560	739,910	4,071,247	8.9	10.5	19,604,122	43,981,817	7,037,091
17 percent	—	—	—	—	—	—	—	—	—	—	—	—
18 percent	2,720,202	40,192,689	34,573,240	2,896,712	4,048,367	521,408	4,041,100	10.1	11.7	15,869,911	32,746,551	5,894,379
20 percent	2,681,635	46,300,858	40,308,155	3,000,994	5,169,803	600,199	5,188,460	11.2	12.9	13,149,709	26,763,522	5,352,704
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	3,011,257	61,594,690	53,593,430	4,873,866	7,616,314	1,120,989	7,597,868	12.3	14.2	10,468,074	30,599,885	7,037,973
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	3,426,577	87,644,942	76,010,051	8,777,775	12,385,793	2,282,221	12,387,813	14.1	16.3	7,456,817	31,830,747	8,275,994
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	1,842,491	59,156,680	51,129,721	4,458,004	9,503,615	1,337,401	9,516,655	16.1	18.6	4,030,240	16,971,929	5,091,579
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
33 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	973,982	37,574,225	32,628,474	2,374,499	6,797,905	807,330	6,794,485	18.1	20.8	2,187,749	9,317,246	3,167,864
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
38 percent	562,386	26,752,021	22,480,688	1,814,828	5,234,914	689,634	5,257,748	19.7	23.4	1,213,767	7,012,848	2,664,882
42 percent	354,162	21,817,545	17,958,013	2,160,721	4,824,515	907,503	4,845,685	22.2	27.0	651,381	6,586,312	2,766,251
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	162,080	13,863,291	11,413,721	1,771,514	3,654,720	850,327	3,640,411	26.3	31.9	297,219	5,636,489	2,705,515
49 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent	135,139	34,938,190	27,773,546	15,859,436	12,127,532	7,929,718	12,012,178	34.4	43.3	135,139	15,859,436	7,929,718

[1] Because of how the data were processed, the detail for these columns do not add to totals
[2] Less than $500
[3] Less than 0.05 percent
NOTE: Detail may not add to total because of rounding

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Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate								
					0 percent		11 percent			12 percent			
					Number of returns	Modified taxable income	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Total	**97,358,296**	**1,947,024,584**	**1,939,308,023**	**365,761,670**	**97,358,296**	**281,591,770**	**86,539,707**	**153,243,162**	**16,856,748**	**79,775,612**	**138,094,218**	**16,571,306**	
Under $2,000	2,496,763	1,647,919	1,647,919	8,730	2,496,763	1,567,589	195,471	80,330	8,836	—	—	—	
$2,000 under $4,000	5,989,239	10,746,808	10,751,225	69,541	5,989,239	10,126,725	1,097,208	509,963	56,096	195,472	109,756	13,171	
$4,000 under $6,000	6,500,508	20,826,614	20,842,848	677,874	6,500,508	14,820,191	4,887,405	4,578,364	503,620	2,285,129	1,311,242	157,349	
$6,000 under $8,000	6,247,798	29,234,281	29,246,167	1,635,790	6,247,798	15,667,716	5,084,768	6,203,970	682,437	3,954,467	3,943,918	473,270	
$8,000 under $10,000	6,233,540	40,174,761	40,220,550	2,946,136	6,233,540	16,854,632	5,780,072	8,133,418	894,676	4,731,492	5,214,545	625,745	
$10,000 under $12,000	5,650,830	45,946,292	45,966,275	3,926,358	5,650,830	15,785,549	5,485,941	8,713,003	958,430	5,026,081	6,425,982	771,118	
$12,000 under $14,000	5,460,140	54,843,965	54,780,196	5,302,823	5,460,140	15,466,658	5,380,061	8,889,072	977,798	5,197,648	7,812,934	937,552	
$14,000 under $16,000	4,845,857	56,465,589	56,434,153	5,858,014	4,845,857	14,188,532	4,790,470	8,472,768	932,005	4,704,855	7,904,317	948,518	
$16,000 under $18,000	4,533,493	61,331,432	61,252,020	6,946,064	4,533,493	13,263,784	4,517,971	7,906,247	869,687	4,471,300	7,470,344	896,441	
$18,000 under $20,000	4,293,572	64,953,557	64,887,821	7,734,912	4,293,572	12,932,704	4,266,880	7,659,640	842,560	4,227,900	7,331,137	879,736	
$20,000 under $25,000	9,194,660	165,356,554	164,980,990	21,319,743	9,194,660	28,486,063	9,174,232	17,208,447	1,892,929	9,149,494	16,708,602	2,005,032	
$25,000 under $30,000	7,541,896	165,356,830	165,034,053	23,222,644	7,541,896	24,347,375	7,521,560	14,789,804	1,626,878	7,500,117	14,476,004	1,737,120	
$30,000 under $40,000	11,474,320	313,916,976	312,949,255	49,073,341	11,474,320	38,555,383	11,468,841	23,564,494	2,592,094	11,457,164	23,201,628	2,784,195	
$40,000 under $50,000	7,451,366	259,365,436	258,424,311	45,806,745	7,451,366	26,095,142	7,449,952	16,009,672	1,761,064	7,438,670	15,839,684	1,900,762	
$50,000 under $75,000	6,417,415	295,296,881	293,952,434	62,379,582	6,417,415	22,777,013	6,413,596	14,001,083	1,540,119	6,410,904	13,882,634	1,665,916	
$75,000 under $100,000	1,542,724	100,211,601	99,233,623	25,933,850	1,542,724	5,452,587	1,542,106	3,342,514	367,677	1,541,990	3,312,727	397,527	
$100,000 under $200,000	1,111,622	112,757,958	111,277,744	36,196,015	1,111,622	3,914,701	1,110,714	2,396,530	263,618	1,110,596	2,374,310	284,917	
$200,000 under $500,000	289,557	64,277,685	63,354,849	26,279,473	289,557	997,811	289,474	605,075	66,558	289,348	597,319	71,678	
$500,000 under $1,000,000	51,267	27,327,574	27,156,701	12,597,173	51,267	179,854	51,258	110,219	12,124	51,258	109,184	13,102	
$1,000,000 or more	31,729	56,985,871	56,914,888	27,846,861	31,729	111,762	31,727	68,547	7,540	31,727	67,951	8,154	

Size of adjusted gross income	Tax generated at specified rate—Continued											
	14 percent			15 percent			16 percent			17 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	**73,859,409**	**243,611,000**	**34,105,540**	**23,415,492**	**46,258,108**	**6,938,716**	**54,624,118**	**187,442,543**	**29,990,807**	**5,064,118**	**14,444,501**	**2,455,565**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	*38,141	*9,354	*1,310	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	326,478	152,559	21,358	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	3,241,029	3,409,502	477,330	*36,329	*32,816	*4,922	*4,768	*10,561	*1,690	—	—	—
$8,000 under $10,000	3,780,346	7,654,658	1,071,652	2,697,598	2,323,275	348,491	88,298	81,955	13,113	—	—	—
$10,000 under $12,000	3,867,617	7,710,946	1,079,532	2,861,268	5,565,114	834,767	2,017,783	1,716,306	274,609	100,121	31,815	5,409
$12,000 under $14,000	4,677,642	9,617,110	1,346,395	2,768,064	5,899,881	884,982	2,736,278	5,722,555	915,609	480,901	563,660	95,822
$14,000 under $16,000	4,522,107	10,940,076	1,531,611	2,077,561	4,462,337	669,351	2,189,214	5,048,234	807,717	690,435	1,541,858	262,116
$16,000 under $18,000	4,351,315	12,207,962	1,709,115	2,068,255	4,451,392	667,709	2,791,718	5,906,367	945,019	629,140	1,912,298	325,091
$18,000 under $20,000	4,173,645	13,199,187	1,847,886	1,816,719	3,911,260	586,689	3,274,062	7,686,525	1,220,244	473,496	1,517,750	258,018
$20,000 under $25,000	9,084,059	31,255,030	4,375,704	3,216,056	6,942,881	1,041,432	7,687,527	24,384,788	3,901,566	977,692	3,172,147	539,265
$25,000 under $30,000	7,489,149	28,012,256	3,921,716	2,045,639	4,409,288	661,393	6,687,980	24,775,659	3,964,106	655,297	2,180,151	370,626
$30,000 under $40,000	11,444,028	46,055,181	6,447,725	2,207,259	4,760,442	714,066	10,698,917	42,630,355	6,820,857	658,938	2,195,197	373,184
$40,000 under $50,000	7,429,880	32,006,892	4,480,965	813,723	1,757,642	263,646	7,201,946	30,230,104	4,836,817	220,711	737,175	125,320
$50,000 under $75,000	6,409,488	28,225,406	3,951,557	502,495	1,084,371	162,656	6,276,279	26,782,424	4,285,188	126,235	421,623	71,676
$75,000 under $100,000	1,541,685	6,744,204	944,189	140,961	304,229	45,634	1,514,019	6,418,615	1,026,978	25,315	84,552	14,374
$100,000 under $200,000	1,110,493	4,833,681	676,715	109,746	236,935	35,540	1,089,815	4,600,738	736,118	19,210	64,141	10,904
$200,000 under $500,000	289,329	1,216,519	170,313	45,881	99,103	14,865	284,093	1,164,195	186,271	5,083	16,977	2,886
$500,000 under $1,000,000	51,252	222,015	31,082	5,151	11,125	1,669	50,211	211,241	33,799	1,029	3,437	584
$1,000,000 or more	31,726	138,463	19,385	2,787	6,020	903	31,210	131,922	21,108	515	1,720	292

Footnote(s) at end of table

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued											
	18 percent			20 percent			22 percent			23 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
Total	**40,706,032**	**167,521,681**	**30,153,939**	**15,665,787**	**33,857,821**	**6,771,564**	**25,163,152**	**105,530,346**	**23,216,676**	**10,468,074**	**30,599,885**	**7,037,973**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	*4,768	*749	*135	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	*4,767	*629	*113	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	66,755	60,926	10,967	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	1,269,133	821,330	147,839	*9,536	*5,688	*1,138	*28,607	*9,759	*2,147	—	—	—
$14,000 under $16,000	2,054,043	3,481,299	626,634	743,264	362,639	72,528	*36,327	*58,108	*12,784	*4,767	*10,187	*2,343
$16,000 under $18,000	2,491,192	5,098,607	917,749	1,788,988	2,751,622	550,324	47,676	102,212	22,487	368,730	118,312	27,212
$18,000 under $20,000	2,255,135	5,061,394	911,051	1,844,697	3,684,638	736,928	*9,172	*18,948	*4,169	1,377,077	1,986,158	456,816
$20,000 under $25,000	6,732,859	15,271,387	2,748,850	3,817,651	8,489,792	1,697,958	239,501	297,659	65,485	2,963,796	8,902,130	2,047,490
$25,000 under $30,000	6,867,076	22,586,860	4,065,635	2,620,625	6,421,021	1,284,204	2,506,955	5,381,190	1,183,862	1,970,580	6,647,863	1,529,008
$30,000 under $40,000	11,163,221	43,377,221	7,807,900	2,827,478	7,106,306	1,421,261	7,613,517	30,650,858	6,743,189	2,171,566	7,409,055	1,704,083
$40,000 under $50,000	7,393,248	31,270,298	5,628,654	1,033,597	2,606,391	521,278	6,283,830	29,271,586	6,439,749	812,050	2,773,477	637,900
$50,000 under $75,000	6,386,537	27,602,238	4,968,403	624,998	1,565,694	313,139	5,738,212	27,150,414	5,973,091	496,244	1,707,167	392,648
$75,000 under $100,000	1,537,060	6,602,029	1,188,365	165,730	404,075	80,815	1,369,187	6,486,323	1,426,991	139,821	482,004	110,861
$100,000 under $200,000	1,108,158	4,737,427	852,737	128,787	314,946	62,989	978,627	4,630,851	1,018,787	109,634	377,979	86,935
$200,000 under $500,000	289,125	1,195,404	215,173	50,955	121,666	24,333	238,080	1,125,665	247,646	45,872	158,173	36,380
$500,000 under $1,000,000	51,230	218,144	39,266	6,179	15,241	3,048	45,038	212,731	46,801	5,150	17,766	4,086
$1,000,000 or more	31,725	135,940	24,469	3,302	8,103	1,621	28,423	134,040	29,489	2,787	9,615	2,211

Size of adjusted gross income	Tax generated at specified rate—Continued											
	24 percent			25 percent			26 percent			28 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
Total	**1,685,749**	**7,053,788**	**1,692,909**	**19,595,562**	**94,233,396**	**23,558,349**	**7,456,817**	**31,830,747**	**8,275,994**	**14,680,784**	**68,559,410**	**19,196,635**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	*17,256	*8,603	*2,151	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	*38,141	*69,997	*17,499	—	—	—	*4,767	*11,488	*3,217
$18,000 under $20,000	—	—	—	*2,955	*8,451	*2,113	*7,723	*4,790	*1,245	*2,955	*1,950	*546
$20,000 under $25,000	198,815	283,808	68,114	100,164	264,180	66,045	1,883,094	3,215,925	836,140	85,247	173,535	48,590
$25,000 under $30,000	481,258	1,546,080	371,059	215,460	223,702	55,925	1,862,686	8,222,133	2,137,755	101,800	164,326	46,011
$30,000 under $40,000	607,931	3,010,649	722,556	4,902,520	15,686,871	3,921,718	2,109,085	11,391,792	2,961,866	1,442,792	3,305,502	925,541
$40,000 under $50,000	220,711	1,205,897	289,415	5,970,722	30,766,003	7,691,501	798,368	4,473,112	1,163,009	4,723,136	18,999,387	5,319,828
$50,000 under $75,000	126,181	716,725	172,014	5,694,311	32,087,420	8,021,855	493,734	2,796,717	727,147	5,624,908	30,595,249	8,566,670
$75,000 under $100,000	25,074	143,423	34,422	1,366,457	7,786,511	1,946,628	138,985	794,174	206,485	1,385,503	7,862,247	2,201,429
$100,000 under $200,000	19,152	109,335	26,240	976,122	5,559,598	1,389,899	109,385	624,613	162,399	991,890	5,640,181	1,579,251
$200,000 under $500,000	5,083	29,040	6,970	237,996	1,354,563	338,641	45,821	262,096	68,145	242,799	1,379,989	386,397
$500,000 under $1,000,000	1,029	5,886	1,413	45,038	256,104	64,026	5,149	29,452	7,658	46,053	261,502	73,221
$1,000,000 or more	515	2,946	707	28,420	161,394	40,348	2,787	15,942	4,145	28,934	164,053	45,935

Footnote(s) at end of table

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued											
	30 percent			32 percent			33 percent			34 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Total	**4,030,240**	**16,971,929**	**5,091,579**	**395,762**	**1,642,311**	**525,540**	**9,395,922**	**73,874,453**	**24,378,570**	**2,187,749**	**9,317,246**	**3,167,864**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	*4,768	*2,298	*689	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	686,938	851,082	255,325	—	—	—	41,920	45,650	15,064	—	—	—
$30,000 under $40,000	1,793,566	7,544,351	2,263,305	82,547	138,802	44,417	30,548	123,137	40,635	—	—	—
$40,000 under $50,000	759,671	4,120,490	1,236,147	145,074	586,029	187,529	63,439	316,931	104,587	764,034	1,874,844	637,447
$50,000 under $75,000	484,030	2,731,256	819,377	117,958	630,587	201,788	1,744,485	4,728,957	1,560,556	649,825	3,089,269	1,050,352
$75,000 under $100,000	138,626	792,190	237,657	24,716	141,244	45,198	4,887,149	39,190,618	12,929,604	473,198	2,639,497	897,429
$100,000 under $200,000	108,892	622,818	186,845	18,853	107,834	34,507	1,347,454	14,943,676	4,931,413	138,062	785,436	267,048
$200,000 under $500,000	45,813	262,050	78,615	5,071	29,006	9,282	969,931	10,998,492	3,629,502	108,881	620,760	211,058
$500,000 under $1,000,000	5,149	29,452	8,836	1,028	5,880	1,882	237,563	2,702,346	891,774	45,813	262,050	89,097
$1,000,000 or more	2,787	15,942	4,782	515	2,929	937	45,014	511,893	168,925	5,149	29,447	10,012
							28,419	322,754	106,509	2,787	15,942	5,420

Size of adjusted gross income	Tax generated at specified rate—Continued								
	35 percent			38 percent			42 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
Total	**214,430**	**1,632,194**	**571,268**	**5,587,947**	**52,512,295**	**19,954,672**	**2,794,641**	**43,624,959**	**18,322,483**
Under $2,000	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	—	*10,367	*31,266	*11,881	—	—	—
$30,000 under $40,000	—	—	—	108,573	284,078	107,950	*24,659	*49,834	*20,930
$40,000 under $50,000	62,589	229,447	80,307	412,416	1,582,218	601,243	52,053	203,597	85,511
$50,000 under $75,000	101,903	846,392	296,237	2,247,863	13,487,780	5,125,356	463,587	2,939,075	1,234,411
$75,000 under $100,000	24,475	266,957	93,435	1,379,928	16,742,421	6,362,120	843,494	7,966,475	3,345,920
$100,000 under $200,000	18,852	213,768	74,819	1,064,692	15,226,712	5,786,150	1,040,834	23,078,423	9,692,938
$200,000 under $500,000	5,071	56,012	20,304	282,780	3,976,712	1,511,151	287,195	7,231,163	3,037,089
$500,000 under $1,000,000	1,028	11,760	4,116	50,127	726,409	276,035	51,106	1,327,193	557,421
$1,000,000 or more	512	5,857	2,050	31,201	454,700	172,786	31,713	829,199	348,264

Footnote(s) at end of table

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued											
	45 percent			48 percent			49 percent			50 percent		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)
Total	**917,626**	**18,022,996**	**8,110,344**	**315,799**	**6,069,331**	**2,913,279**	**542,761**	**21,142,881**	**10,360,012**	**403,638**	**91,736,371**	**45,896,185**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $40,000	—	—	—	—	—	—	—	—	—	—	—	—
$40,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $75,000	*4,421	*16,257	*7,316	53,424	242,367	116,336	—	—	—	—	—	—
$75,000 under $100,000	21,013	155,483	69,968	88,575	1,201,109	576,532	*4,174	*48,568	*23,798	4,320	22,012	11,006
$100,000 under $200,000	578,609	9,921,472	4,464,663	113,767	2,911,246	1,397,398	237,575	5,037,456	2,468,353	91,295	2,179,701	1,089,850
$200,000 under $500,000	238,786	6,026,027	2,711,712	50,592	1,444,922	693,562	227,854	11,903,311	5,832,622	225,673	19,156,677	9,578,339
$500,000 under $1,000,000	45,887	1,168,070	525,631	6,144	175,420	84,201	44,767	2,542,288	1,245,721	50,700	18,768,332	9,384,166
$1,000,000 or more	28,910	735,677	331,055	3,297	94,267	45,248	28,391	1,611,259	789,517	31,650	51,669,649	25,834,825

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Section 4

High Income Returns: Taxable and Nontaxable*

Each year, a small number of individual income tax returns which report income of $200,000 or more do not show any income tax liability. Although such returns represent only a tiny fraction of all Federal income tax returns with high incomes (fewer than 1 in 500 returns), they generate a great deal of interest. Attention focuses on the features of the income tax system that seem to permit some high-income people to completely avoid Federal income tax at the same time that other taxpayers, most of whom have much lower incomes, have tax liabilities amounting to significant shares of their incomes. Information on the reasons for nontaxability of some high-income filers may provide a basis for discussing whether such features are necessary and appropriate in a broad-based income tax system.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [1]. The 1976 Act specified that the tax return data be tabulated using four different concepts of income [2]. The Deficit Reduction Act of 1984 eliminated the requirement for publishing data for the two lesser-used income concepts [3]. Data for the years 1974, 1975, 1979-1985 have been published previously [4].

This Section contains the available high-income tax return data for 1986, with emphasis on high-income returns which are nontaxable. At the end of the text but preceding the tables are two appendices which include summaries of the definitions and concepts which are crucial to an understanding of high-income tax returns in general and nontaxable, high-income returns in particular. Appendix A, "Income Concepts: A Primer," describes and explains the differences between the two major and two minor concepts used to measure income. Appendix B, "Measurement of Taxes," discusses the proper measurement of income tax burdens, explains the different treatment of the foreign tax credit, outlines the methodology used to equate the importance of exclusions and deductions as compared with tax credits, and reviews certain limitations in the data underlying this Section.

This Section includes twelve tables with data representing 1986 income tax returns, mainly those with incomes of $200,000 or more under one or more different concepts of income. Most of the data are shown for taxable and nontaxable returns both separately and combined.

The tables show:

- The numbers of total and high-income returns (taxable, nontaxable, and combined) under each of the four income concepts (Tables 1 and 2);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationships among all four income concepts used in this Section (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax as a percentage of income, for all returns and for high-income returns (Tables 11 and 12).

In addition to the data on high-income returns, the tables distribute all 1986 returns by broad income classes and cross-classify numbers of returns in each income class by the various income concepts. For purposes of comparison, the tables with distributions of returns by their effective tax rates include

*Allen H. Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this Section. Robert Kalish was responsible for production and table review.

distributions for returns other than high-income returns.

Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 are similar to the first set of tables but treat foreign tax credits as part of the individual's income tax liability. In these tables, tax is referred to as "Modified Total Income Tax." This different treatment is explained in more detail under the heading "Foreign Tax Credits" in Appendix B.

Numbers of High-Income Tax Returns

For 1986, the number of tax returns with incomes of at least $200,000 ranged from 356,932 to 546,807, depending on the income concept. These numbers represent from 0.35 percent to 0.53 percent of all tax returns filed.

Nontaxable High-Income Returns

For 1986, there were 529,460 income tax returns with expanded income (which is deemed to be a better definition of income than AGI) of $200,000 or more. Of these, 595 or 0.112 percent, had no U.S. income tax liability, and 379, or 0.072 percent, showed no worldwide income tax liability.

Of the 374,363 tax returns for 1986 with AGI of $200,000 or more, 659 or 0.176 percent, reported no U.S. income tax, and 437, or 0.117 percent, had no worldwide tax liability.

NOTES AND REFERENCES

[1] Section 2123, 90 Stat. at 1915.

[2] The concepts are: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income. See Appendix A for a full discussion of these concepts.

[3] Section 441 (90 Stat. at 815) eliminated the requirement of using AGI plus excluded preferences and AGI less investment interest not in excess of investment income. Despite Section 441, for purposes of historical comparison, this report includes summary data on the numbers of total, taxable, and nontaxable returns for these two income concepts. See Tables 1 through 4.

[4] Lerman, Allen H., High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability, U.S. Department of Treasury, Office of Tax Analysis, March 1977, and High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns, U.S. Department of the Treasury, Office of Tax Analysis, August 1978.

U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--Individual Income Tax Returns, reports for 1977, 1978, 1979, 1980, 1981, 1982, and 1985. (For 1977 and 1978, only the actual numbers of nontaxable, high-AGI returns have been published.)

Lerman, Allen H., "High Income Tax Returns, 1983", Statistics of Income Bulletin, Spring 1986, Volume 5, Number 4, pp. 31-61.

Lerman, Allen H., "High Income Returns, for 1984", Statistics of Income Bulletin, Spring 1987, Volume 6, Number 4, pp. 1-29.

APPENDIX A

INCOME CONCEPTS: A PRIMER

This Appendix contains an explanation of the differences between the two major and two minor concepts of income which are used in this Section and an outline of how the various concepts differ from the ideal economic concept of income. The two major conceptual differences between the income measures are detailed, and the exact relationships between the various concepts are defined.

Economic Income, the Ideal Measure

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [A1]. For example, if during a year a family spent $25,000 and saved $2,000, economists would say the family had an income of $27,000. Similarly, if the family spent $25,000 but owned an asset such as an automobile that decreased in value by $1,000, economists would say that the family had an income of only $24,000. A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It has never been meant to be an accurate measure of so-called economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. For Tax Year 1986, AGI excludes certain types of income, such as

interest from tax-exempt State and local Government bonds, most social security benefits, imputed rent on owner-occupied housing, the value of many employee fringe benefits and a portion of net realized long-term capital gains. Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [A2].

Adjusted gross income excludes most changes in net worth, such as the 60 percent of realized long-term capital gains that was excluded for 1986 and all accrued, but unrealized, capital gains [A3].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions. Expenses falling into this category include certain expenses incurred by employees (such as union dues and expenditures for items used on-the-job but not reimbursed by the employer) and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business), including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. Moreover, for 1986, only 50 percent of realized, net long-term capital losses may be deducted in computing AGI.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [A4].

Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that could be identified on 1986 income tax returns consisted of the excluded portion of long-term capital gains (and current-year losses in excess of currently deductible amounts), the dividend exclusion of up to $100 per tax return (up to $200 on joint returns), payments to self-employed retirement (Keogh) and Individual Retirement Arrangement (IRA) pension savings plans, the excluded portion of unemployment insurance benefits, some social security benefits, and income from sources considered to be tax preferences for purposes of the alternative minimum tax. Even if no alternative minimum tax is due, such preferences are generally supposed to be reported on Form 6251, Alternative Minimum Tax Computation, which is supposed to accompany the person's income tax return [A5].

Even after including preference income which was not in AGI but which was identifiable on 1986 tax returns, several major sources of income for high-income taxpayers were still omitted:

- Interest on tax-exempt State and local Government bonds;
- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;
- Income "sheltered" from taxation--primarily partnership income--through deferral of the recognition of income for tax purposes and/or the acceleration of deduction items; and
- The value of employee fringe benefits [A6].

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. Subsequently, income may be correspondingly

higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes. Also, if taxed in the future, the income could be converted into a long-term capital gain, which through Tax Year 1987 would generally be taxed at a lower rate than ordinary income.

Conceptual differences between income subject to ordinary tax and income benefitting from tax-preferred treatment may also lead to some understatement of income. Because of tax benefits, individuals may be willing to accept lower rates of return on investments yielding tax-preferred income. If one views that reduction in potential income as an "implicit tax" on that income (paid in lieu of ordinary tax), then the reporting of fully taxable and tax-preferred income is not consistent. Fully taxable income is being reported on a pre-tax basis, whereas a tax-preferred income is being shown on an after-tax basis. See "Implicit Tax" in Appendix B for further discussion of this concept.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this Section may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, the income of some individuals who are included may have been understated, and tax as a percentage of income (i.e., the effective tax rate) may have been overstated.

Investment Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business. However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally appear on a Federal individual income tax return in one of two places. Investment interest is taken into account in the calculation of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions [A7]. To determine expenses that should be deductible in calculating an approximation of economic income, investment expenses have been defined as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. Investment interest expenses which do exceed investment income are not deductible in calculating the broader income measure. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses. This arbitrary procedure has been selected because, especially with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

The amount of investment income against which investment interest can be offset depends on the amount of investment income included in the income measure under consideration. Investment income consists of interest, dividends, and net capital gains (or losses). However, if only a portion of capital gains is included in the income concept, as is the case with AGI for 1986, then only that portion is considered to be investment income. A similar adjustment is

also made for the dividend exclusion of up to $100 per tax return ($200 on a joint return).

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income (AGI) plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income [A8]. Tax preferences considered for 1986 were the $100-per-tax-return exclusion for qualifying dividends ($200 on a joint return), the excluded portion of net long-term capital gains, and, where the taxpayer filed a Form 6251, Alternative Minimum Tax Computation, all other excluded income preferences subject to the minimum tax [A9]. For individuals, the only preference income items of significance other than the excluded portion of capital gains are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease, the excess of percentage depletion over the cost of the property, and deductions for intangible drilling costs in excess of the amounts deductible if these costs had been amortized. Because expanded income is based on tax return data, it excludes items such as interest on tax-exempt State and local Government bonds, accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned above, under "Omitted Income and Accelerated Deductions."

Four Income Measures

Current law requires high-income tax return data to be selected and classified on the basis of two different definitions of income: expanded income and adjusted gross income. For comparability with data for earlier years, this Section also includes a limited amount of data using two other, previously required, income definitions. Each of the two additional income measures embodies only one of the two major differences between expanded income and AGI. "Adjusted gross income plus excluded tax preferences" is AGI plus the amount of tax preference income excluded from AGI. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus excluded tax preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner [A10]:

Expanded income

= Adjusted gross income + preferences - investment interest

Adjusted gross income

= Expanded income - preferences + investment interest

Adjusted gross income plus excluded tax preferences

= Adjusted gross income + preferences
or = Expanded income + investment interest

Adjusted gross income less investment interest

= Adjusted gross income - investment interest
or = Expanded income - preferences

Expanded income is the measure which most closely approximates economic income.

NOTES TO APPENDIX A

[A1] This is the Haig-Simons definition of income.

[A2] For Tax Year 1986, the Internal Revenue Code defined adjusted gross income as all gross income not specifically excluded or reduced by statutory adjustments. Among the exclusions were trade or business deductions (including some deductions by employees) and depreciation deductions allowable for tax purposes, the deduction for 60 percent of net long-term capital gains, limited deductions for losses from the sale or exchange of property, deductions attributable to rents and royalty income, the moving expenses adjustment, and deductions for contributions to individual retirement arrangements (IRA's)and self-employed retirement (Keogh) plans.

[A3] Gross income includes only income that has been "realized." Thus, for Federal income tax purposes, accrued increases or decreases in the value of assets are generally not included in income until any gain or loss is realized by a sale or exchange. In addition, gross income does not include the value of the services received from the use of durable goods, such as imputed net rent from owner-occupied homes or from consumer durables. Finally, gross income and, hence, adjusted gross income, do not include interest on

most types of State and local Government debt, most social security benefits, workers' compensation benefits, and most types of welfare benefits.

[A4] There have been attempts to create micro-data files that include approximations of economic income. Tax return data files have been "statistically merged", i.e., merged with information for persons having similar characteristics, with other files such as the Current Population Survey (CPS) of the Bureau of the Census. After the merge, certain additional data items that were not on either file have been "imputed" to each record of the merged file. Although such statistically merged files have proven useful for many purposes, they have only limited use--and must be used with great caution--for high-income individuals and families, each of which is likely to have more nearly unique financial and income characteristics that are not likely to be duplicated accurately through imputations or statistical merges.

[A5] The tax preferences excluded from adjusted gross income, as tabulated in Tables 5 and 6, included the following items: the dividend exclusion; the excluded portion of long-term capital gains; the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease; the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceeded the otherwise allowable amortization deductions. Any preferences from itemized deductions did not represent omitted income; hence, they were not counted as preference items in calculating a broader measure of income.

[A6] Omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

[A7] In addition, income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[A8] For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[A9] See footnote [A5].

[A10] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the size of the investment interest adjustment differs depending on which income concept is used.

APPENDIX B

MEASUREMENT OF TAXES

This Appendix discusses the proper measurement of income tax burdens. Two different treatments of the foreign tax credit are explained: as a tax on income; or as an item of tax preference. The concept of an implicit tax on tax preference income is discussed. The Appendix includes an outline of the methodology used in the tabulations of 1986 tax return data to equate the importance of tax credits with exclusions and deductions from the income base subject to tax. Finally, certain limitations in the underlying tax return data are summarized.

Foreign Tax Credits: Worldwide Taxes on Worldwide Income

Just as income must be measured properly, so must income taxes.

U.S. income taxes are based on worldwide income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it has been generated in the United States or in a foreign country. However, when a taxpayer has foreign source income, the U.S. income tax computed on global income may often be reduced dollar-for-dollar by the amount of foreign income tax that has been paid on that foreign income. These offsets for foreign income taxes are called "foreign tax credits" [B1].

Statistics of Income (SOI) data collected as a by-product of tax administration include global income as reported on U.S. income tax returns. The SOI data, however, usually include as taxes only U.S. income taxes net of the foreign tax credits that represent offsets for foreign income tax payments. Where taxpayers have income from foreign sources, this procedure understates their worldwide tax liabilities and their effective tax rates. Since worldwide income is reported on U.S. tax returns, a more accurate measure of the tax burden imposed on that income would be obtained if all income taxes--U.S. as well as foreign--were considered. Analysis indicates that a substantial portion of the so-called non-taxable, high-income tax returns report that

large shares of their income are from non-U.S. sources and that substantial amounts of foreign income taxes have been paid on that income. Thus, it does not seem appropriate to classify such taxpayers as nontaxable or to classify their foreign tax credits as special tax benefits.

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they are nontaxable, several tables in this Section have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not readily available in tabulations from U.S. income tax returns, foreign tax credits as shown on U.S. income tax returns are used as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate or understate global taxes on the current year's income.

The tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide income tax burden on worldwide income. For the vast majority of taxpayers--with high incomes or otherwise--this adjustment is irrelevant, for they have little or no foreign-source income. However, for the small proportion of taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign taxes than if all income were from U.S. sources and the person paid no income tax either to the U.S. Government or to any other government.

In order to be consistent with other SOI tabulations, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits. Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income tax liabilities. Tables 2, 4, 6, 8, 10, and 12 include foreign tax credits as part of the individual's income tax liability.

Implicit Tax

Income from certain tax-preferred sources is either not subject to any Federal individual income tax or benefits from reduced tax rates or the deferral of taxation, or both. To the extent that the income from such sources has been reduced because of the existence of tax preferences, the stated tax on such income understates the amount of tax effectively paid by the recipient of that income. In addition to any income tax actually paid, there is an "implicit tax" equal to the amount by which the income from that source has been reduced because of the tax preferences. Thus, the benefit to the recipient of tax-preferred income is less than the stated tax preference to the extent that the gross income from that source already anticipates the tax preference. As a result, an individual may be indifferent between a lower-yield, nontaxable income source and a higher-yield taxable source.

Tax-exempt income from State and local Government bonds provides the clearest example of an "implicit tax." Because of the tax exemption, the interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds with equivalent risk and maturity. The yields between tax-exempt and taxable bonds generally differ by an amount such that the yield on the tax-exempt bonds will be about the same or slightly more than the after-tax yield on an equivalent taxable bond. In reality, the holders of tax-exempt bonds are paying an "implicit tax" which is equal to the spread between the interest rates on the tax-free bond and the equivalent taxable bond multiplied by the face value of the bonds.

The main difference between implicit tax and ordinary Federal income tax is the recipient of the tax revenue. The general fund of the Federal Government receives the ordinary Federal income tax revenue whereas the implicit tax revenue is usually divided between the payer and the recipient of the tax-preferred income. The government entity issuing a tax-exempt bond receives part of the implicit tax in the form of reduced rates on interest paid on those bonds. For other assets producing tax-preferred income, some of the implicit tax is received by the seller of the asset in the form of a higher price reflecting the capitalized value of some of the stream of tax benefits.

No attempts have been made in this Section to measure implicit taxes. Accordingly, taxes paid and tax rates have not been adjusted to reflect implicit taxes on tax preference income.

Adjusting Income for Implicit Tax

It should also be noted that compared with income from other sources, the gross income

from tax-preferred sources is understated by the amount by which that income has been reduced by the portion of the above-mentioned "implicit tax" which benefits the recipient of the income. In theory, when measuring income, it would be appropriate to "gross up" the amount of tax-preferred income received by the portion of the implicit tax on that income which has actually benefitted the recipient of the income. Since no attempt has been made to measure implicit taxes for this Section, incomes have not been increased to reflect the value of implicit taxes.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences and the income averaging tax computation), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated affects the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all of, or groups of, these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income that has been excluded from tax and (2) the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this Section call "taxable income which would yield income tax before credits," "taxable income which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that are likely to be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

NOTE TO APPENDIX B

[B1] Certain amounts of income earned abroad are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this Section do not reflect either the amounts of such excluded income or the foreign tax payments on it.

Table 1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	103,045,170	93,580,613	7,974,601	1,115,593	374,363
Size of expanded income					
Under $50,000	93,182,451	93,005,777	175,900	602	172
$50,000 under $100,000	8,023,050	548,385	7,451,743	22,758	164
$100,000 under $200,000	1,310,209	22,856	339,411	942,523	5,419
$200,000 or more	529,460	3,595	7,547	149,710	368,608
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	92,919,217	92,919,217	—	—	—
$50,000 under $100,000	8,223,483	632,794	7,590,689	—	—
$100,000 under $200,000	1,355,663	24,863	375,611	955,189	—
$200,000 or more	546,807	3,739	8,301	160,404	374,363
Size of adjusted gross income less investment interest					
Under $50,000	93,837,743	93,580,613	254,623	2,074	433
$50,000 under $100,000	7,774,438	—	7,719,978	54,012	448
$100,000 under $200,000	1,076,057	—	—	1,059,507	16,550
$200,000 or more	356,932	—	—	—	356,932
Returns With Total Income Tax					
Total	85,371,092	75,926,178	7,958,047	1,113,163	373,704
Size of expanded income					
Under $50,000	75,530,045	75,358,944	170,629	*448	*24
$50,000 under $100,000	8,004,180	541,326	7,440,730	21,991	133
$100,000 under $200,000	1,308,002	22,500	339,141	941,030	5,331
$200,000 or more	528,865	3,408	7,547	149,694	368,216
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	75,273,957	75,273,957	—	—	—
$50,000 under $100,000	8,199,321	624,418	7,574,903	—	—
$100,000 under $200,000	1,352,094	24,256	374,915	952,923	—
$200,000 or more	545,720	3,547	8,229	160,240	373,704
Size of adjusted gross income less investment interest					
Under $50,000	76,176,780	75,926,178	248,665	1,685	252
$50,000 under $100,000	7,763,169	—	7,709,382	53,362	425
$100,000 under $200,000	1,074,571	—	—	1,058,116	16,455
$200,000 or more	356,572	—	—	—	356,572
Returns Without Total Income Tax					
Total	17,674,078	17,654,435	16,554	2,430	659
Size of expanded income					
Under $50,000	17,652,406	17,646,833	5,271	154	148
$50,000 under $100,000	18,870	7,059	11,013	767	31
$100,000 under $200,000	2,207	356	*270	1,493	88
$200,000 or more	595	187	—	*16	392
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	17,645,260	17,645,260	—	—	—
$50,000 under $100,000	24,162	8,376	15,786	—	—
$100,000 under $200,000	3,569	607	696	2,266	—
$200,000 or more	1,087	192	*72	164	659
Size of adjusted gross income less investment interest					
Under $50,000	17,660,963	17,654,435	5,958	389	181
$50,000 under $100,000	11,269	—	10,596	650	23
$100,000 under $200,000	1,486	—	—	1,391	95
$200,000 or more	360	—	—	—	360

*Estimate should be used with caution because of the small number of sample returns on which it is based.
[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit.

Table 2—Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	103,045,170	93,580,613	7,974,601	1,115,593	374,363
Size of expanded income					
Under $50,000	93,182,451	93,005,777	175,900	602	172
$50,000 under $100,000	8,023,050	548,385	7,451,743	22,758	164
$100,000 under $200,000	1,310,209	22,856	339,411	942,523	5,419
$200,000 or more	529,460	3,595	7,547	149,710	368,608
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	92,919,217	92,919,217	—	—	—
$50,000 under $100,000	8,223,483	632,794	7,590,689	—	—
$100,000 under $200,000	1,355,663	24,863	375,611	955,189	—
$200,000 or more	546,807	3,739	8,301	160,404	374,363
Size of adjusted gross income less investment interest					
Under $50,000	93,837,743	93,580,613	254,623	2,074	433
$50,000 under $100,000	7,774,438	—	7,719,978	54,012	448
$100,000 under $200,000	1,076,057	—	—	1,059,507	16,550
$200,000 or more	356,932	—	—	—	356,932
Returns With Modified Total Income Tax					
Total	85,387,156	75,942,019	7,958,047	1,113,164	373,926
Size of expanded income					
Under $50,000	75,545,886	75,374,785	170,629	*448	*24
$50,000 under $100,000	8,004,180	541,326	7,440,730	21,991	133
$100,000 under $200,000	1,308,009	22,500	339,141	941,031	5,337
$200,000 or more	529,081	3,408	7,547	149,694	368,432
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	75,289,798	75,289,798	—	—	—
$50,000 under $100,000	8,199,321	624,418	7,574,903	—	—
$100,000 under $200,000	1,352,095	24,256	374,915	952,924	—
$200,000 or more	545,942	3,547	8,229	160,240	373,926
Size of adjusted gross income less investment interest					
Under $50,000	76,192,621	75,942,019	248,665	1,685	252
$50,000 under $100,000	7,763,169	—	7,709,382	53,362	425
$100,000 under $200,000	1,074,584	—	—	1,058,117	16,467
$200,000 or more	356,782	—	—	—	356,782
Returns Without Modified Total Income Tax					
Total	17,658,014	17,638,594	16,554	2,429	437
Size of expanded income					
Under $50,000	17,636,565	17,630,992	5,271	154	148
$50,000 under $100,000	18,870	7,059	11,013	767	31
$100,000 under $200,000	2,200	356	*270	1,492	82
$200,000 or more	379	187	—	*16	176
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	17,629,419	17,629,419	—	—	—
$50,000 under $100,000	24,162	8,376	15,786	—	—
$100,000 under $200,000	3,568	607	696	2,265	—
$200,000 or more	865	192	*72	164	437
Size of adjusted gross income less investment interest					
Under $50,000	17,645,122	17,638,594	5,958	389	181
$50,000 under $100,000	11,269	—	10,596	650	23
$100,000 under $200,000	1,473	—	—	1,390	83
$200,000 or more	150	—	—	—	150

*Estimate should be used with caution because of the small number of sample returns on which it is based.
[1] Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit.

Table 3—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**374,363**	**100.0**	—	**529,460**	**100.0**	—	**546,807**	**100.0**	—	**356,932**	**100.0**	—
Returns without total income tax	659	0.2	—	595	0.1	—	1,087	0.2	—	360	0.1	—
Returns with total income tax												
Total	373,704	99.8	100.0	528,865	99.9	100.0	545,720	99.8	100.0	356,572	99.9	100.0
Ratio of taxable income to alternative income												
Under 5 percent	89	(*)	(*)	126	(*)	(*)	177	(*)	(*)	47	(*)	(*)
5 under 10 percent	187	0.1	0.1	224	(*)	0.1	302	0.1	0.1	138	(*)	0.1
10 under 15 percent	197	0.1	0.1	254	(*)	0.1	546	0.1	0.2	47	(*)	0.1
15 under 20 percent	585	0.2	0.3	751	0.1	0.3	1,486	0.3	0.5	168	(*)	0.1
20 under 25 percent	889	0.2	0.5	705	0.1	0.4	2,115	0.4	0.8	334	0.1	0.2
25 under 30 percent	1,355	0.4	0.9	2,427	0.5	0.8	5,097	0.9	1.8	551	0.2	0.4
30 under 35 percent	1,425	0.4	1.3	6,048	1.1	2.0	9,304	1.7	3.5	762	0.2	0.6
35 under 40 percent	10,460	2.8	4.1	32,715	6.2	8.2	42,454	7.8	11.3	9,731	2.7	3.3
40 under 45 percent	3,795	1.0	5.1	81,575	15.4	23.6	94,660	17.3	28.6	2,362	0.7	4.0
45 under 50 percent	6,035	1.6	6.7	101,383	19.2	42.8	86,779	15.9	44.5	4,326	1.2	5.2
50 under 60 percent	17,857	4.8	11.5	65,380	12.4	55.1	67,510	12.4	56.9	12,219	3.4	8.6
60 under 70 percent	41,292	11.0	22.5	64,438	12.2	67.3	67,686	12.4	69.3	32,906	9.2	17.8
70 under 80 percent	74,611	20.0	42.5	75,454	14.3	81.6	76,614	14.0	83.3	64,786	18.2	36.0
80 percent or more	214,927	57.5	100.0	97,385	18.4	100.0	90,990	16.7	100.0	228,195	64.0	100.0

*Estimate should be used with caution because of the small number of sample returns on which it is based.
(*) Less than 0.05 percent.
NOTE: Detail may not add to total because of rounding.

Table 4—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**374,363**	**100.0**	—	**529,460**	**100.0**	—	**546,807**	**100.0**	—	**356,932**	**100.0**	—
Returns without modified total income tax	437	0.1	—	379	0.1	—	865	0.2	—	150	(*)	—
Returns with modified total income tax												
Total	373,926	99.9	100.0	529,081	99.9	100.0	545,942	99.8	100.0	356,782	100.0	100.0
Ratio of taxable income to alternative income												
Under 5 percent	82	(*)	(*)	116	(*)	(*)	169	(*)	(*)	39	(*)	(*)
5 under 10 percent	182	(*)	0.1	219	(*)	0.1	297	0.1	0.1	132	(*)	(*)
10 under 15 percent	194	0.1	0.1	247	(*)	0.1	541	0.1	0.2	43	(*)	0.1
15 under 20 percent	579	0.2	0.3	747	0.1	0.3	1,483	0.3	0.5	163	(*)	0.1
20 under 25 percent	885	0.2	0.5	703	0.1	0.4	2,110	0.4	0.8	330	0.1	0.2
25 under 30 percent	1,350	0.4	0.9	2,424	0.5	0.8	5,089	0.9	1.8	544	0.2	0.4
30 under 35 percent	1,419	0.4	1.3	6,022	1.1	2.0	9,289	1.7	3.5	760	0.2	0.6
35 under 40 percent	10,456	2.8	4.1	32,697	6.2	8.2	42,427	7.8	11.2	9,722	2.7	3.3
40 under 45 percent	3,791	1.0	5.1	81,576	15.4	23.6	94,677	17.3	28.6	2,362	0.7	4.0
45 under 50 percent	6,028	1.6	6.7	101,410	19.2	42.7	86,798	15.9	44.5	4,314	1.2	5.2
50 under 60 percent	17,857	4.8	11.5	65,396	12.4	55.1	67,534	12.4	56.9	12,213	3.4	8.6
60 under 70 percent	41,272	11.0	22.5	64,446	12.2	67.3	67,687	12.4	69.3	32,573	9.2	17.8
70 under 80 percent	74,636	20.0	42.4	71,994	13.6	80.9	73,164	13.4	82.7	64,809	18.2	36.0
80 percent or more	215,195	57.6	100.0	101,084	19.1	100.0	94,677	17.3	100.0	228,478	64.0	100.0

*Estimate should be used with caution because of the small number of sample returns on which it is based.
(*) Less than 0.05 percent.
NOTE: Detail may not add to total because of rounding.

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	285,309	67,764,877	284,819	67,647,913	490	116,964	382,291	74,734,249	381,834	74,627,929	457	106,320
Business or profession:												
Net income	76,320	7,301,103	76,197	7,285,834	123	15,269	109,389	8,254,526	109,309	8,241,543	80	12,983
Net loss	37,139	1,582,176	37,007	1,559,552	132	22,625	53,422	2,125,244	53,307	2,096,608	115	28,636
Farm:												
Net income	5,358	361,646	5,350	361,480	8	166	7,792	382,716	7,787	382,709	5	7
Net loss	25,743	1,210,981	25,676	1,200,088	67	10,893	31,434	1,498,713	31,376	1,482,741	58	15,971
Partnership net income excluding Section 179 property deduction:												
Total net income	191,695	15,332,885	191,363	15,257,460	332	75,426	259,434	16,894,505	259,172	16,806,915	262	87,590
Total net loss	228,092	16,067,482	227,691	15,965,608	401	101,874	300,320	20,638,252	300,000	20,413,778	320	224,474
Small Business Corporation net income excluding Section 179 property deduction:												
Total net income	60,000	12,128,347	59,900	12,111,056	100	17,292	69,583	12,503,679	69,506	12,490,658	77	13,021
Total net loss	41,611	2,658,103	41,430	2,615,276	181	42,827	56,853	3,542,512	56,644	3,488,308	209	54,204
Partnership and S Corporation net income after Section 179 property deduction:												
Net income	116,871	20,380,331	116,706	20,332,976	165	47,355	157,601	21,207,205	157,498	21,163,449	103	43,756
Net loss	164,461	11,719,128	164,143	11,619,644	318	99,484	219,479	16,077,353	219,147	15,855,422	332	221,930
Sales of capital assets:												
Net gain	303,789	70,863,931	303,439	70,795,752	350	68,179	458,667	85,146,504	458,273	84,953,239	394	193,265
Net loss	30,066	66,573	30,009	66,429	57	145	29,908	65,843	29,860	65,722	48	122
Sales of property other than capital assets:												
Net gain	47,308	753,484	47,225	748,264	83	5,220	64,687	994,378	64,611	982,863	76	11,515
Net loss	28,767	332,545	28,685	326,437	82	6,108	36,745	444,585	36,691	442,282	54	2,303
Interest received	368,875	14,724,726	368,254	14,551,412	621	173,314	522,022	17,291,703	521,474	17,218,692	548	73,011
Dividends in adjusted gross income	304,145	17,570,444	303,673	17,478,605	472	91,839	429,888	19,284,000	429,515	19,233,375	373	50,625
Pensions and annuities in adjusted gross income	54,417	1,297,868	54,329	1,291,580	88	6,288	96,042	1,837,687	95,984	1,835,567	58	2,119
Rent:												
Net income	73,835	3,092,209	73,701	3,076,851	134	15,357	102,366	3,526,906	102,251	3,510,759	115	16,148
Net loss	112,305	3,493,711	112,050	3,474,836	255	18,875	153,068	4,423,656	152,807	4,401,548	261	22,107
Royalty:												
Net income	30,487	2,531,238	30,405	2,525,146	82	6,092	37,349	2,650,811	37,289	2,644,889	60	5,921
Net loss	2,603	37,044	2,594	36,504	9	541	3,925	50,439	3,918	48,655	7	1,785
Estate or trust:												
Net income	58,758	1,720,028	58,690	1,710,846	68	9,182	77,110	1,952,772	77,070	1,947,322	40	5,450
Net loss	5,682	174,691	5,665	171,727	17	2,964	8,049	220,512	8,038	218,730	11	1,782
State income tax refunds	173,704	948,269	173,546	946,148	158	2,121	239,320	1,056,896	239,202	1,054,370	118	2,525
Windfall profit tax refunds	16,107	39,410	16,091	39,359	16	50	18,374	40,502	18,366	40,496	8	6
Windfall profit tax withheld	37,765	27,339	37,701	27,298	64	41	46,901	30,542	46,859	30,527	42	14
Alimony received	779	36,994	†	†	†	†	1,079	39,742	1,070	37,341	*9	*2,401
Social security benefits in adjusted gross income	60,875	364,899	60,808	364,530	67	370	108,908	610,473	108,875	610,276	33	197
Unemployment compensation in adjusted gross income	2,236	5,706	2,231	5,693	5	12	4,582	11,741	4,579	11,734	3	8
Other income	79,408	1,803,013	79,263	1,786,252	145	16,762	102,759	1,967,926	102,629	1,955,329	130	12,597
Other loss	11,703	1,055,352	11,565	1,030,629	138	24,723	17,157	1,977,156	16,929	1,859,895	228	117,260
Total income	374,363	191,955,175	373,704	191,567,092	659	388,083	529,459	214,185,950	528,864	214,059,010	595	126,939
Total statutory adjustments	274,270	2,879,023	273,955	2,874,819	315	4,204	371,558	3,476,015	371,303	3,473,095	255	2,919
Employee business expense	49,542	439,920	49,479	438,493	63	1,427	65,263	507,551	65,221	506,752	42	799
Payments to IRA	240,625	740,438	240,457	739,987	168	452	329,867	997,020	329,744	996,686	123	333
Payments to a Keogh plan	38,400	948,562	38,384	948,194	16	367	47,324	1,095,601	47,316	1,095,453	8	148
Expanded income	374,362	286,748,275	373,704	286,509,060	658	239,215	529,460	329,768,377	528,865	329,411,581	595	356,797
Investment interest per adjusted gross income concept	280,633	6,039,643	280,096	5,828,531	537	211,112	390,204	6,410,103	389,866	6,377,707	338	32,396
Investment interest per alternative income concept	280,633	6,039,643	280,096	5,828,531	537	211,112	390,456	6,621,792	390,117	6,587,438	339	34,354
Tax preferences excluded from adjusted gross income:												
Total	349,630	103,944,930	349,088	103,871,129	542	73,802	504,979	125,680,234	504,478	125,413,103	501	267,131
Excluded long-term capital gains	289,667	99,777,409	289,345	99,708,357	322	69,052	444,659	120,652,885	444,282	120,395,183	377	257,702
Dividend exclusion	296,761	50,288	296,338	50,216	423	72	418,462	70,584	418,140	70,530	322	54
Alternative Minimum Tax preferences excluded from AGI	191,281	4,117,233	191,001	4,112,556	280	4,677	251,320	4,956,765	251,082	4,947,391	238	9,374
Adjusted gross income	374,363	189,076,152	373,704	188,692,273	659	383,879	529,459	210,709,935	528,864	210,585,915	595	124,020

Footnote(s) at end of table.

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	374,363	1,325,622	373,704	1,323,166	659	2,456	529,460	1,832,601	528,865	1,830,449	595	2,152
Itemized deductions:												
Total per adjusted gross income concept	366,543	41,284,500	365,960	40,922,832	583	361,668	509,658	45,253,798	509,266	45,116,603	392	137,195
Total per expanded income concept	366,543	41,284,500	365,960	40,922,832	583	361,668	509,657	38,632,006	509,265	38,529,165	392	102,841
Contributions deduction	357,831	12,869,807	357,320	12,846,615	511	23,193	496,562	13,774,720	496,237	13,758,827	325	15,893
Interest paid deduction:												
Total per adjusted gross income concept	309,699	10,844,811	309,132	10,558,983	567	285,828	429,264	11,770,328	428,888	11,687,260	376	83,067
Total per expanded income concept	309,699	10,844,811	309,132	10,558,983	567	285,828	324,917	5,148,536	324,608	5,099,823	309	48,713
Total home mortgage interest	237,244	3,436,777	236,854	3,410,944	390	25,833	320,434	4,062,061	320,159	4,043,503	275	18,557
Investment interest exceeding investment income per adjusted gross income concept	61,565	1,368,390	61,301	1,319,508	264	48,883	60,533	1,298,164	60,396	1,266,050	137	32,114
Investment interest exceeding investment income per alternative income concept	61,565	1,368,390	61,301	1,319,508	264	48,883	53,363	1,086,475	53,234	1,056,319	129	30,156
Medical and dental expense deduction	8,733	243,848	8,705	240,913	28	2,935	17,115	348,300	17,090	345,555	25	2,744
Net casualty or theft loss deduction	463	36,130	437	22,355	26	13,775	1,204	49,141	1,185	36,450	19	12,691
Taxes paid deduction	366,307	14,379,254	365,752	14,360,589	555	18,665	508,913	16,046,277	508,555	16,034,634	358	11,643
Miscellaneous deductions	317,879	2,910,650	317,430	2,893,377	449	17,273	444,441	3,265,032	444,137	3,253,876	304	11,156
Excess itemized deductions	366,420	39,460,798	365,837	39,101,251	583	359,547	508,813	42,940,799	508,421	42,805,059	392	135,741
Zero bracket amount (statutory)	374,363	1,295,284	373,704	1,293,026	659	2,258	529,460	1,823,517	528,865	1,821,473	595	2,044
Excess of exemptions and deductions over adjusted gross income	1,904	341,436	1,475	236,564	429	104,872	7,005	1,217,762	6,638	1,077,220	367	140,542
Taxable income:												
As computed under current law	372,553	148,591,130	372,300	148,465,870	253	125,260	523,099	167,088,516	522,806	166,962,986	293	125,530
As computed under prior law	372,459	147,302,326	372,229	147,177,879	230	124,447	522,455	165,287,912	522,227	165,163,329	228	124,583
Tax at normal rates	372,460	67,305,613	372,229	67,247,120	231	58,493	522,455	73,887,396	522,227	73,828,871	228	58,525
Tax savings:												
Income tax before credits	113,729	584,431	113,706	584,309	23	121	180,952	846,754	180,922	846,468	30	287
Tax credits:	372,487	66,964,043	372,257	66,904,884	230	59,159	522,615	73,392,074	522,386	73,333,037	229	59,038
Total	208,114	1,137,270	207,884	1,078,111	230	59,159	259,790	1,190,025	259,561	1,130,987	229	59,038
Personal credits	140,900	18,337	140,862	18,331	38	6	183,847	23,045	183,812	23,041	35	4
Non personal credits	105,258	1,118,933	105,029	1,059,780	229	59,153	120,762	1,166,979	120,533	1,107,946	229	59,034
Foreign tax credit	37,585	263,397	37,363	204,284	222	59,114	37,585	263,257	37,369	204,393	216	58,864
Business credit	57,310	576,677	57,302	576,638	8	39	69,836	606,246	69,823	606,077	*13	*169
Investment credit	53,984	500,608	53,876	499,387	108	1,222	66,995	543,320	66,896	539,983	99	3,337
Alcohol fuel credit	32	55	32	55	—	—	33	56	33	56	—	—
Alternative minimum tax (Form 6251)	72,561	3,336,837	72,561	3,336,837	—	—	158,903	4,808,841	158,903	4,808,841	—	—
Total income tax:												
Taxes paid to the U.S.	373,704	69,163,762	373,704	69,163,762	—	—	528,865	77,012,212	528,865	77,012,212	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield:												
Income tax before credits	372,487	147,901,912	372,257	147,775,354	230	126,558	522,615	166,062,680	522,386	165,936,320	229	126,360
Income tax after credits	371,699	145,574,149	371,699	145,574,149	—	—	521,244	163,593,662	521,244	163,593,662	—	—
Total income tax	373,704	152,378,323	373,704	152,378,323	—	—	528,865	173,705,321	528,865	173,705,321	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	285,309	67,764,877	285,005	67,703,477	304	61,400	382,291	74,734,249	382,015	74,682,775	276	51,474
Business or profession:												
Net income	76,320	7,301,103	76,226	7,290,276	94	10,827	109,389	8,254,526	109,336	8,245,818	53	8,708
Net loss	37,139	1,582,176	37,020	1,560,705	119	21,471	53,422	2,125,244	53,320	2,097,761	102	27,482
Farm:												
Net income	5,358	361,646	5,351	361,483	7	163	7,792	382,716	7,788	382,712	4	4
Net loss	25,743	1,210,981	25,691	1,201,203	52	9,779	31,434	1,498,713	31,391	1,483,856	43	14,857
Partnership net income excluding Section 179 property deduction:												
Total net income	191,695	15,332,885	191,421	15,283,908	274	48,977	259,434	16,894,505	259,226	16,833,237	208	61,268
Total net loss	228,092	16,067,482	227,781	15,972,561	311	94,921	300,320	20,638,252	300,085	20,420,621	235	217,631
Small Business Corporation net income excluding Section 179 property deduction:												
Total net income	60,000	12,128,347	59,906	12,111,551	94	16,796	69,583	12,503,679	69,510	12,490,807	73	12,871
Total net loss	41,611	2,658,103	41,453	2,618,437	158	39,666	56,853	3,542,512	56,665	3,491,420	188	51,092
Partnership and S Corporation net income after Section 179 property deduction:												
Net income	116,871	20,380,331	116,745	20,357,280	126	23,051	157,601	21,207,205	157,533	21,187,426	68	19,779
Net loss	164,461	11,719,128	164,220	11,327,137	241	91,991	219,479	16,077,353	219,222	15,862,899	257	214,454
Sales of capital assets:												
Net gain	303,789	70,863,931	303,536	70,824,145	253	39,786	458,667	85,146,504	458,368	84,981,628	299	164,876
Net loss	30,066	66,573	30,054	66,546	12	28	29,908	65,843	29,902	65,830	6	13
Sales of property other than capital assets:												
Net gain	47,308	753,484	47,237	749,039	71	4,445	64,687	994,378	64,623	983,638	64	10,739
Net loss	28,767	332,545	28,700	326,566	67	5,979	36,745	444,585	36,706	442,411	39	2,174
Interest received	368,875	14,724,726	368,452	14,557,967	423	166,759	522,022	17,291,703	521,666	17,224,888	356	66,814
Dividends in adjusted gross income	304,145	17,570,444	303,835	17,507,333	310	63,111	429,888	19,284,000	429,672	19,262,009	216	21,991
Pensions and annuities in adjusted gross income	54,417	1,297,868	54,346	1,292,074	71	5,794	96,042	1,837,687	96,001	1,836,061	41	1,626
Rent:												
Net income	73,835	3,092,209	73,732	3,082,316	103	9,893	102,366	3,526,906	102,281	3,516,169	85	10,738
Net loss	112,305	3,493,711	112,149	3,478,122	156	15,590	153,068	4,423,656	152,904	4,404,822	164	18,834
Royalty:												
Net income	30,487	2,531,238	30,417	2,526,514	70	4,724	37,349	2,650,811	37,300	2,646,257	49	4,554
Net loss	2,603	37,044	2,596	36,509	7	535	3,925	50,439	3,920	48,660	5	1,779
Estate or trust:												
Net income	58,758	1,720,028	58,699	1,714,934	59	5,094	77,110	1,952,772	77,079	1,951,411	31	1,361
Net loss	5,682	174,691	5,668	172,075	14	2,616	8,049	220,512	8,041	219,078	8	1,434
State income tax refunds	173,704	948,269	173,587	946,327	117	1,943	239,320	1,056,896	239,241	1,054,547	79	2,349
Windfall profit tax refunds	16,107	39,410	16,093	39,360	14	50	18,374	40,502	18,368	40,497	6	5
Windfall profit tax withheld	37,765	27,339	37,711	27,299	54	40	46,901	30,542	46,869	30,528	32	14
Alimony received	779	36,994	†	†	†	†	1,079	39,742	1,071	37,342	*8	*2,400
Social security benefits in adjusted gross income	60,875	364,899	60,818	364,568	57	331	108,908	610,473	108,885	610,314	23	159
Unemployment compensation in adjusted gross income	2,236	5,706	2,233	5,694	3	11	4,582	11,741	4,581	11,734	1	7
Other income	79,408	1,803,013	79,290	1,790,353	118	12,661	102,759	1,967,926	102,656	1,959,430	103	8,496
Other loss	11,703	1,055,352	11,659	1,039,783	44	15,569	17,157	1,977,156	17,021	1,868,824	136	108,332
Total income	374,363	191,955,175	373,926	191,708,790	437	246,385	529,459	214,185,950	529,080	214,199,246	379	– 13,296
Total statutory adjustments	274,270	2,879,023	274,069	2,876,041	201	2,982	371,558	3,476,015	371,412	3,474,266	146	1,749
Employee business expense	49,542	439,920	49,497	438,651	45	1,269	65,263	507,551	65,239	506,910	24	641
Payments to an IRA	240,625	740,438	240,529	740,156	96	282	329,867	997,020	329,813	996,846	54	173
Payments to a Keogh plan	38,400	948,562	38,385	948,199	15	362	47,324	1,095,601	47,317	1,095,458	7	143
Expanded income	374,362	286,748,275	373,926	286,682,917	436	65,357	529,460	329,768,377	529,081	329,584,349	379	184,029
Investment interest per adjusted gross income concept	280,633	6,039,643	280,217	5,834,085	416	205,558	390,204	6,410,103	389,981	6,382,936	223	27,167
Investment interest per alternative income concept	280,633	6,039,643	280,217	5,834,085	416	205,558	390,456	6,621,792	390,233	6,592,768	223	29,024
Tax preferences excluded from adjusted gross income:												
Total	349,630	103,944,930	349,249	103,910,170	381	34,761	504,979	125,680,234	504,633	125,452,136	346	228,098
Excluded long-term capital gains	289,667	99,777,409	289,430	99,746,448	237	30,962	444,659	120,652,885	444,365	120,433,267	294	219,618
Dividend exclusion	296,761	50,288	296,460	50,236	301	52	418,462	70,584	418,257	70,549	205	35
Alternative Minimum Tax preferences excluded from AGI	191,281	4,117,233	191,074	4,113,486	207	3,748	251,320	4,956,765	251,153	4,948,321	167	8,445
Adjusted gross income	374,363	189,076,152	373,926	188,832,749	437	243,403	529,459	210,709,935	529,080	210,724,980	379	– 15,045

Footnote(s) at end of table

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	374,363	1,325,622	373,926	1,323,978	437	1,644	529,460	1,832,601	529,081	1,831,246	379	1,354
Itemized deductions:												
Total per adjusted gross income concept	366,543	41,284,500	366,106	40,937,898	437	346,602	509,658	45,253,798	509,406	45,130,930	252	122,868
Total per expanded income concept	366,543	41,284,500	366,106	40,937,898	437	346,602	509,657	38,632,006	509,405	38,538,162	252	93,844
Contributions deduction	357,831	12,869,807	357,432	12,849,589	399	20,219	496,562	13,774,720	496,345	13,761,796	217	12,924
Interest paid deduction:												
Total per adjusted gross income concept	309,699	10,844,811	309,272	10,567,914	427	276,897	429,264	11,770,328	429,022	11,695,580	242	74,748
Total per expanded income concept	309,699	10,844,811	309,272	10,567,914	427	276,897	324,917	5,148,536	324,697	5,102,813	220	45,723
Total home mortgage interest	237,244	3,436,777	236,935	3,412,691	309	24,086	320,434	4,062,061	320,235	4,045,202	199	16,859
Investment interest exceeding investment income per adjusted gross income concept	61,565	1,368,390	61,338	1,321,138	227	47,253	60,533	1,298,164	60,430	1,267,442	103	30,721
Investment interest exceeding investment income per alternative income concept	61,565	1,368,390	61,338	1,321,138	227	47,253	53,363	1,086,475	53,265	1,057,611	98	28,864
Medical and dental expense deduction	8,733	243,848	8,708	240,954	25	2,894	17,115	348,300	17,093	345,596	22	2,704
Net casualty or theft loss deduction	463	36,130	438	22,397	25	13,733	1,204	49,141	1,185	36,450	19	12,691
Taxes paid deduction	366,307	14,379,254	365,876	14,362,350	431	16,904	508,913	16,046,277	508,673	16,036,339	240	9,938
Miscellaneous deductions	317,879	2,910,650	317,544	2,894,695	335	15,955	444,441	3,265,032	444,246	3,255,169	195	9,863
Excess itemized deductions	366,420	39,460,798	365,983	39,115,825	437	344,973	508,813	42,940,799	508,561	42,918,914	252	121,885
Zero bracket amount (statutory)	374,363	1,295,284	373,926	1,293,779	437	1,505	529,460	1,823,517	529,081	1,822,205	379	1,312
Excess of exemptions and deductions over adjusted gross income	1,904	341,436	1,475	236,564	429	104,872	7,005	1,217,762	6,638	1,077,220	367	140,542
Taxable income:												
As computed under current law	372,553	148,591,130	372,522	148,590,915	31	215	523,099	167,088,516	523,022	167,087,354	77	1,162
As computed under prior law	372,459	147,302,326	372,451	147,302,173	8	153	522,455	165,287,912	522,443	165,286,966	*12	*946
Tax at normal rates	372,460	67,305,613	372,451	67,305,584	9	30	522,455	73,887,396	522,443	73,887,083	*12	*312
Tax savings	113,729	584,431	113,729	584,431	—	—	180,952	846,754	180,944	846,589	*8	*166
Income tax before credits	372,487	66,964,043	372,479	66,964,013	8	30	522,615	73,392,074	522,602	73,391,915	*13	*159
Tax credits:												
Total	172,203	873,873	172,195	873,843	8	30	223,880	926,767	223,867	926,608	*13	*159
Personal credits	140,900	18,337	140,896	18,335	4	2	183,847	23,045	183,845	23,045	2	( )
Non personal credits	68,722	855,536	68,715	855,508	7	28	84,225	903,722	84,212	903,563	*13	*159
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credits	57,310	576,677	57,304	576,650	6	28	69,836	606,246	69,824	606,087	*12	*159
Investment credit	53,984	500,608	53,895	499,450	89	1,159	66,995	543,320	66,914	540,040	81	3,280
Alcohol fuel credit	32	55	32	55	—	—	33	56	33	56	—	—
Alternative minimum tax (Form 6251)	72,561	3,336,837	72,561	3,336,837	—	—	158,903	4,808,841	158,903	4,808,841	—	—
Total income tax:												
Taxes paid to the U.S.	373,926	69,427,160	373,926	69,427,160	—	—	529,081	77,275,469	529,081	77,275,469	—	—
Foreign taxes paid	37,585	263,397	37,585	263,397	—	—	37,585	263,257	37,585	263,257	—	—
Taxable income which would yield:												
Income tax before credits	372,487	147,901,912	372,479	147,901,729	8	183	522,615	166,062,680	522,602	166,062,018	*13	*662
Income tax after credits	371,921	146,109,240	371,921	146,109,240	—	—	521,460	164,128,320	521,460	164,128,320	—	—
Total income tax	373,926	152,913,414	373,926	152,913,414	—	—	529,081	174,239,979	529,081	174,239,979	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**373,230**	**100.0**	**37,141**	**10.0**	**85,718**	**23.0**	**34,995**	**9.4**	**1,666**	**0.4**	**85**	**()**
Interest paid deduction	51,331	13.8	—	—	27,834	32.5	2,226	6.4	109	6.5	19	22.4
Taxes paid deduction	142,906	38.3	26,830	72.2	—	—	9,424	26.9	732	43.9	61	71.8
Contributions deduction	57,505	15.4	2,783	7.5	21,810	25.4	—	—	269	16.1	—	—
Medical and dental expense deduction	1,684	0.5	†	†	378	0.4	128	0.4	—	—	—	—
Net casualty or theft loss deduction	26	()	†	†	4	()	†	†	—	—	—	—
Miscellaneous deduction	20,339	5.4	1,037	2.8	12,752	14.9	722	2.1	157	9.4	—	—
Foreign tax credit	107	()	4	()	35	()	4	()	—	—	—	—
Business credit	763	0.2	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	3,870	1.0	148	0.4	1,258	1.5	163	0.5	—	—	—	—
All other tax credits	2,727	0.7	198	0.5	245	0.3	86	0.2	—	—	—	—
Capital gains exclusion	52,049	13.9	2,667	7.2	15,920	18.6	20,710	59.2	399	23.9	5	5.9
Partnership and S Corporation net losses	37,414	10.0	3,427	9.2	5,180	6.0	1,501	4.3	—	—	—	—
No second largest item	2,509	0.7	3	()	169	0.2	†	†	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**528,389**	**100.0**	**36,714**	**6.9**	**87,364**	**16.5**	**36,016**	**6.8**	**1,907**	**0.4**	**85**	**()**
Interest paid deduction	65,073	12.3	—	—	27,764	31.8	2,062	5.7	110	5.8	19	22.4
Taxes paid deduction	220,614	41.8	26,166	71.3	—	—	9,616	26.7	732	38.4	61	71.8
Contributions deduction	72,153	13.7	2,939	8.0	22,148	25.4	—	—	269	14.1	—	—
Medical and dental expense deduction	2,915	0.6	9	()	378	0.4	128	0.4	—	—	—	—
Net casualty or theft loss deduction	135	()	1	()	4	()	3	()	—	—	—	—
Miscellaneous deduction	25,406	4.8	1,021	2.8	12,661	14.5	671	1.9	157	8.2	—	—
Foreign tax credit	107	()	4	()	35	()	4	()	—	—	—	—
Business credit	1,345	0.3	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	4,405	0.8	148	0.4	1,314	1.5	163	0.5	—	—	—	—
All other tax credits	4,171	0.8	198	0.5	295	0.3	94	0.3	—	—	—	—
Capital gains exclusion	59,576	11.3	2,609	7.1	16,978	19.4	21,500	59.7	639	33.5	5	5.9
Partnership and S Corporation net losses	60,015	11.4	3,583	9.8	5,485	6.3	1,747	4.9	—	—	—	—
No second largest item	12,474	2.4	3	()	169	0.2	3	()	—	—	—	—
Returns Without Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**659**	**100.0**	**167**	**25.3**	**21**	**3.2**	**37**	**5.6**	**11**	**1.7**	**17**	**2.6**
Interest paid deduction	132	20.0	—	—	8	38.1	15	40.5	†	†	6	35.3
Taxes paid deduction	104	15.8	55	32.9	—	—	10	27.0	4	36.4	†	†
Contributions deduction	73	11.1	26	15.6	†	†	—	—	†	†	—	—
Medical and dental expense deduction	†	†	—	—	†	†	†	†	—	—	—	—
Net casualty or theft loss deduction	6	0.9	†	†	—	—	—	—	—	—	—	—
Miscellaneous deduction	30	4.6	6	3.6	†	†	†	†	†	†	†	†
Foreign tax credit	25	3.8	†	†	—	—	†	†	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—	—	—
Investment credit	11	1.7	6	3.6	†	†	—	—	—	—	—	—
All other tax credits	3	0.5	—	—	—	—	†	†	—	—	—	—
Capital gains exclusion	114	17.3	29	17.4	3	14.3	3	8.1	†	†	6	35.3
Partnership and S Corporation net losses	93	14.1	33	19.8	†	†	4	10.8	—	—	†	†
No second largest item	62	9.4	6	3.6	—	—	—	—	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**595**	**100.0**	**91**	**15.3**	**7**	**1.2**	**17**	**2.9**	**8**	**1.3**	**14**	**2.4**
Interest paid deduction	122	20.5	—	—	4	57.1	7	41.2	1	12.5	5	35.7
Taxes paid deduction	55	9.2	28	30.8	—	—	3	17.6	3	37.5	2	14.3
Contributions deduction	36	6.1	16	17.6	—	—	—	—	1	12.5	—	—
Medical and dental expense deduction	2	0.3	—	—	1	14.3	1	5.9	—	—	—	—
Net casualty or theft loss deduction	3	0.5	3	3.3	—	—	—	—	—	—	—	—
Miscellaneous deduction	13	2.2	3	3.3	1	14.3	—	—	1	12.5	1	7.1
Foreign tax credit	25	4.2	2	2.2	—	—	2	11.8	—	—	—	—
Business credit	9	1.5	—	—	—	—	—	—	—	—	—	—
Investment credit	11	1.8	4	4.4	—	—	—	—	—	—	—	—
All other tax credits	2	0.3	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	150	25.2	19	20.9	1	14.3	2	11.8	2	25.0	5	35.7
Partnership and S Corporation net losses	107	18.0	14	15.4	—	—	2	11.8	—	—	1	7.1
No second largest item	60	10.1	2	2.2	—	—	—	—	—	—	—	—

Footnote(s) at end of table

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued													
	Miscellaneous deductions		Foreign tax credit		Business credit		Investment credit		All other tax credits		Capital gains exclusion		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Returns With Total Income Tax														
Returns with adjusted gross income $200,000 or more														
Total	**3,130**	**0.8**	**3,560**	**1.0**	**445**	**0.1**	**2,503**	**0.7**	**1,558**	**0.4**	**163,502**	**43.8**	**38,927**	**10.4**
Interest paid deduction	816	26.1	9	0.3	62	13.9	366	14.6	180	11.6	12,480	7.6	7,230	18.6
Taxes paid deduction	1,272	40.6	29	0.8	71	16.0	1,083	43.3	525	33.7	83,098	50.8	19,781	50.8
Contributions deduction	223	7.1	10	0.3	97	21.8	141	5.6	128	8.2	29,519	18.1	2,525	6.5
Medical and dental expense deduction	—	—	—	—	—	—	†	†	—	—	1,116	0.7	51	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	10	()	8	()
Miscellaneous deduction	—	—	†	†	—	—	†	†	51	3.3	5,094	3.1	523	1.3
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	56	()	8	()
Business credit	†	†	†	†	—	—	17	0.7	6	0.4	382	0.2	164	0.4
Investment credit	72	2.3	†	†	†	†	—	—	93	6.0	1,429	0.9	667	1.7
All other tax credits	—	—	†	†	—	—	†	†	—	—	1,946	1.2	240	0.6
Capital gains exclusion	344	11.0	3,494	98.1	161	36.2	359	14.3	284	18.2	—	—	7,706	19.8
Partnership and S Corporation net losses	392	12.5	8	0.2	13	2.9	455	18.2	209	13.4	26,229	16.0	—	—
No second largest item	†	†	5	0.1	†	†	69	2.8	82	5.3	2,143	1.3	24	0.1
Returns with expanded income $200,000 or more														
Total	**3,024**	**0.8**	**3,562**	**0.7**	**498**	**0.1**	**2,402**	**0.5**	**1,519**	**0.3**	**309,589**	**58.6**	**45,709**	**8.7**
Interest paid deduction	816	27.0	9	0.3	62	12.4	367	15.3	183	12.0	26,219	8.5	7,462	16.3
Taxes paid deduction	1,272	42.1	29	0.8	71	14.3	1,077	44.8	467	30.7	160,526	51.9	20,597	45.1
Contributions deduction	223	7.4	10	0.3	97	19.5	141	5.9	132	8.7	43,446	14.0	2,748	6.0
Medical and dental expense deduction	—	—	—	—	—	—	1	()	—	—	2,348	0.8	51	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	68	()	59	0.1
Miscellaneous deduction	—	—	—	—	—	—	2	0.1	51	3.4	10,326	3.3	517	1.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	56	()	8	()
Business credit	2	0.1	1	()	—	—	17	0.7	6	0.4	919	0.3	209	0.5
Investment credit	72	2.4	1	()	39	7.8	—	—	93	6.1	1,927	0.6	648	1.4
All other tax credits	—	—	2	0.1	—	—	10	0.4	—	—	3,326	1.1	246	0.5
Capital gains exclusion	344	11.4	3,496	98.1	214	43.0	370	15.4	286	18.8	—	—	13,135	28.7
Partnership and S Corporation net losses	286	9.5	8	0.2	13	2.6	347	14.4	158	10.4	48,388	15.6	—	—
No second largest item	9	0.3	6	0.2	2	0.4	70	2.9	143	9.4	12,040	3.9	29	0.1
Returns Without Total Income Tax														
Returns with adjusted gross income $200,000 or more														
Total	**27**	**4.1**	**185**	**28.1**	†	†	†	†	—	—	**51**	**7.7**	**140**	**21.2**
Interest paid deduction	12	44.4	35	18.9	†	†	†	†	—	—	9	17.6	43	30.7
Taxes paid deduction	†	†	17	9.2	—	—	—	—	—	—	†	†	9	6.4
Contributions deduction	—	—	9	4.9	—	—	†	†	—	—	10	19.6	24	17.1
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	†	†	†	†
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	†	†
Miscellaneous deduction	—	—	6	3.2	—	—	—	—	—	—	†	†	9	6.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	12	23.5	9	6.4
Business credit	—	—	†	†	—	—	—	—	—	—	—	—	†	†
Investment credit	—	—	†	†	—	—	—	—	—	—	—	—	†	†
All other tax credits	—	—	†	†	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	†	†	31	16.8	—	—	—	—	—	—	—	—	39	27.9
Partnership and S Corporation net losses	5	18.5	34	18.4	—	—	—	—	—	—	11	21.6	—	—
No second largest item	†	†	49	26.5	—	—	—	—	—	—	†	†	†	†
Returns with expanded income $200,000 or more														
Total	**18**	**3.0**	**181**	**30.4**	—	—	1	**0.2**	—	—	**139**	**23.4**	**119**	**20.0**
Interest paid deduction	9	50.0	34	18.8	—	—	—	—	—	—	52	37.4	10	8.4
Taxes paid deduction	2	11.1	16	8.8	—	—	—	—	—	—	1	0.7	—	—
Contributions deduction	—	—	8	4.4	—	—	1	100.0	—	—	3	2.2	7	5.9
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous deduction	—	—	5	2.8	—	—	—	—	—	—	1	0.7	1	0.8
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	12	8.6	9	7.6
Business credit	—	—	1	0.6	—	—	—	—	—	—	8	5.8	—	—
Investment credit	—	—	1	0.6	—	—	—	—	—	—	4	2.9	2	1.7
All other tax credits	—	—	2	1.1	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	—	—	31	17.1	—	—	—	—	—	—	—	—	90	75.6
Partnership and S Corporation net losses	3	16.7	34	18.8	—	—	—	—	—	—	53	38.1	—	—
No second largest item	4	22.2	49	27.1	—	—	—	—	—	—	5	3.6	—	—

( ) Less than 0.05 percent.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**373,398**	**100.0**	**37,190**	**10.0**	**85,765**	**23.0**	**35,016**	**9.4**	**1,866**	**0.4**	**85**	**()**
Interest paid deduction	51,368	13.8	—	—	27,855	32.5	2,230	6.4	109	6.5	19	22.4
Taxes paid deduction	142,974	38.3	26,859	72.2	—	—	9,428	26.9	732	43.9	61	71.8
Contributions deduction	57,550	15.4	2,789	7.5	21,833	25.5	—	—	269	16.1	—	—
Medical and dental expense deduction	1,686	0.5	†	†	378	0.4	129	0.4	—	—	—	—
Net casualty or theft loss deduction	27	()	†	†	4	()	†	†	—	—	—	—
Miscellaneous deduction	20,383	5.5	1,047	2.8	12,762	14.9	727	2.1	157	9.4	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	762	0.2	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	3,884	1.0	149	0.4	1,264	1.5	164	0.5	—	—	—	—
All other tax credits	2,730	0.7	198	0.5	245	0.3	86	0.2	—	—	—	—
Capital gains exclusion	48,597	13.0	2,670	7.2	15,936	18.6	20,717	59.2	399	23.9	5	5.9
Partnership and S Corporation net losses	37,435	10.0	3,428	9.2	5,183	6.0	1,504	4.3	—	—	—	—
No second largest item	6,002	1.6	†	†	172	0.2	†	†	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**528,550**	**100.0**	**36,760**	**7.0**	**87,410**	**16.5**	**36,036**	**6.8**	**1,907**	**0.4**	**85**	**()**
Interest paid deduction	65,108	12.3	—	—	27,783	31.8	2,066	5.7	110	5.8	19	22.4
Taxes paid deduction	220,676	41.8	26,193	71.3	—	—	9,619	26.7	732	38.4	61	71.8
Contributions deduction	72,200	13.7	2,945	8.0	22,172	25.4	—	—	269	14.1	—	—
Medical and dental expense deduction	2,917	0.6	9	()	378	0.4	129	0.4	—	—	—	—
Net casualty or theft loss deduction	135	()	1	()	4	()	3	()	—	—	—	—
Miscellaneous deduction	25,449	4.8	1,031	2.8	12,671	14.5	676	1.9	157	8.2	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	1,344	0.3	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	4,419	0.8	149	0.4	1,320	1.5	164	0.5	—	—	—	—
All other tax credits	4,175	0.8	198	0.5	295	0.3	94	0.3	—	—	—	—
Capital gains exclusion	56,122	10.6	2,612	7.1	16,994	19.4	21,507	59.7	639	33.5	5	5.9
Partnership and S Corporation net losses	60,037	11.4	3,584	9.7	5,488	6.3	1,750	4.9	—	—	—	—
No second largest item	15,968	3.0	5	()	172	0.2	3	()	—	—	—	—
Returns Without Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**437**	**100.0**	**162**	**37.1**	**20**	**4.6**	**35**	**8.0**	**11**	**2.5**	**17**	**3.9**
Interest paid deduction	96	22.0	—	—	8	40.0	15	42.9	†	†	6	35.3
Taxes paid deduction	85	19.5	54	33.3	—	—	10	28.6	4	36.4	†	†
Contributions deduction	62	14.2	26	16.0	†	†	—	—	†	†	—	—
Medical and dental expense deduction	†	†	—	—	†	†	†	†	—	—	—	—
Net casualty or theft loss deduction	5	1.1	†	†	—	—	—	—	—	—	—	—
Miscellaneous deduction	24	5.5	6	3.7	†	†	†	†	†	†	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—	—	—
Investment credit	10	2.3	†	†	†	†	—	—	—	—	—	—
All other tax credits	†	†	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	79	18.1	28	17.3	†	†	†	†	—	—	—	—
Partnership and S Corporation net losses	57	13.0	33	20.4	4	20.0	3	8.6	†	†	6	35.3
No second largest item	13	3.0	6	3.7	—	—	†	†	—	—	†	†
Returns with expanded income $200,000 or more												
Total	**379**	**100.0**	**88**	**23.2**	**6**	**1.6**	**15**	**4.0**	**8**	**2.1**	**14**	**3.7**
Interest paid deduction	87	23.0	—	—	4	66.7	7	46.7	1	12.5	5	35.7
Taxes paid deduction	38	10.0	28	31.8	—	—	3	20.0	3	37.5	2	14.3
Contributions deduction	26	6.9	16	18.2	—	—	—	—	1	12.5	—	—
Medical and dental expense deduction	2	0.5	—	—	1	16.7	1	6.7	—	—	—	—
Net casualty or theft loss deduction	3	0.8	3	3.4	—	—	—	—	—	—	—	—
Miscellaneous deduction	8	2.1	3	3.4	1	16.7	—	—	1	12.5	1	7.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	8	2.1	—	—	—	—	—	—	—	—	—	—
Investment credit	10	2.6	4	4.5	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	115	30.3	18	20.5	—	—	2	13.3	2	25.0	5	35.7
Partnership and S Corporation net losses	71	18.7	14	15.9	—	—	2	13.3	—	—	1	7.1
No second largest item	11	2.9	2	2.3	—	—	—	—	—	—	—	—

Footnote(s) at end of table

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued													
	Miscellaneous deductions		Foreign tax credit		Business credit		Investment credit		All other tax credits		Capital gains exclusion		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Returns With Modified Total Income Tax														
Returns with adjusted gross income $200,000 or more														
Total	**3,138**	**0.8**	—	—	**447**	**0.1**	**2,505**	**0.7**	**1,562**	**0.4**	**167,043**	**44.7**	**38,981**	**10.4**
Interest paid deduction	818	26.1	—	—	62	13.9	366	14.6	181	11.6	12,487	7.5	7,241	18.6
Taxes paid deduction	1,272	40.5	—	—	71	15.9	1,083	43.2	526	33.7	83,149	49.8	19,793	50.8
Contributions deduction	224	7.1	—	—	97	21.7	142	5.7	128	8.2	29,537	17.7	2,531	6.5
Medical and dental expense deduction	—	—	—	—	—	—	†	†	—	—	1,116	0.7	52	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	10	( )	8	( )
Miscellaneous deduction	—	—	—	—	—	—	†	†	†	†	5,112	3.1	525	1.3
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	17	0.7	†	†	382	0.2	164	0.4
Investment credit	72	2.3	—	—	39	8.7	—	—	93	6.0	1,431	0.9	672	1.7
All other tax credits	—	—	—	—	—	—	10	0.4	—	—	1,949	1.2	242	0.6
Capital gains exclusion	345	11.0	—	—	161	36.0	360	14.4	284	18.2	—	—	7,720	19.8
Partnership and S Corporation net losses	394	12.6	—	—	†	†	455	18.2	†	†	26,247	15.7	—	—
No second largest item	†	†	—	—	†	†	69	2.8	84	5.4	5,623	3.4	33	0.1
Returns with expanded income $200,000 or more														
Total	**3,030**	**0.8**	—	—	**500**	**0.1**	**2,404**	**0.5**	**1,523**	**0.3**	**313,132**	**59.2**	**45,763**	**8.7**
Interest paid deduction	818	27.0	—	—	62	12.4	367	15.3	184	12.1	26,226	8.4	7,473	16.3
Taxes paid deduction	1,272	42.0	—	—	71	14.2	1,077	44.8	468	30.7	160,574	51.3	20,609	45.0
Contributions deduction	224	7.4	—	—	97	19.4	142	5.9	132	8.7	43,465	13.9	2,754	6.0
Medical and dental expense deduction	—	—	—	—	—	—	1	( )	—	—	2,348	0.7	52	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	68	( )	59	0.1
Miscellaneous deduction	—	—	—	—	—	—	2	0.1	51	3.3	10,342	3.3	519	1.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	2	0.1	—	—	—	—	17	0.7	6	0.4	919	0.3	209	0.5
Investment credit	72	2.4	—	—	39	7.8	—	—	93	6.1	1,929	0.6	653	1.4
All other tax credits	—	—	—	—	—	—	10	0.4	—	—	3,330	1.1	248	0.5
Capital gains exclusion	345	11.4	—	—	214	42.8	371	15.4	286	18.8	—	—	13,149	28.7
Partnership and S Corporation net losses	287	9.5	—	—	15	3.0	347	14.4	158	10.4	48,408	15.5	—	—
No second largest item	10	0.3	—	—	2	0.4	70	2.9	145	9.5	15,523	5.0	38	0.1
Returns Without Modified Total Income Tax														
Returns with adjusted gross income $200,000 or more														
Total	**26**	**5.9**	—	—	†	†	†	†	—	—	**35**	**8.0**	**128**	**29.3**
Interest paid deduction	12	46.2	—	—	†	†	†	†	—	—	9	25.7	42	32.8
Taxes paid deduction	†	†	—	—	—	—	—	—	—	—	†	†	9	7.0
Contributions deduction	—	—	—	—	—	—	†	†	—	—	8	22.9	24	18.8
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	†	†	†	†
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	†	†
Miscellaneous deduction	—	—	—	—	—	—	—	—	—	—	4	11.4	9	7.0
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	—	—	—	—	—	—	—	—	—	—	†	†
Investment credit	—	—	—	—	—	—	—	—	—	—	—	—	†	†
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	†	†	—	—	—	—	—	—	—	—	—	—	37	28.9
Partnership and S Corporation net losses	4	15.4	—	—	—	—	—	—	—	—	10	28.6	—	—
No second largest item	†	†	—	—	—	—	—	—	—	—	†	†	†	†
Returns with expanded income $200,000 or more														
Total	**17**	**4.5**	—	—	—	—	**1**	**0.3**	—	—	**123**	**32.5**	**107**	**28.2**
Interest paid deduction	9	52.9	—	—	—	—	—	—	—	—	52	42.3	9	8.4
Taxes paid deduction	2	11.8	—	—	—	—	—	—	—	—	—	—	—	—
Contributions deduction	—	—	—	—	—	—	1	100.0	—	—	1	0.8	7	6.5
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous deduction	—	—	—	—	—	—	—	—	—	—	1	0.8	1	0.9
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	—	—	—	—	—	—	—	—	8	6.5	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—	4	3.3	2	1.9
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	—	—	—	—	—	—	—	—	—	—	—	—	88	82.2
Partnership and S Corporation net losses	2	11.8	—	—	—	—	—	—	—	—	52	42.3	—	—
No second largest item	4	23.5	—	—	—	—	—	—	—	—	5	4.1	—	—

( ) Less than 0.05 percent.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 9—Returns Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	659	76	67	30	13	8	9	6	6	31	413
Interest paid deduction:											
Total	659	92	110	38	12	11	16	12	22	95	251
Investment interest per income concept	659	122	172	55	24	19	25	20	16	97	109
Investment interest exceeding investment income per concept	659	395	93	27	25	19	11	12	9	38	30
Taxes paid deduction	659	104	426	77	26	8	†	6	†	5	4
Contributions deduction	659	148	382	39	21	27	27	†	—	—	†
Medical and dental expense deduction	659	631	11	5	†	†	†	--	†	4	3
Net casualty or theft loss deduction	659	633	†	†	†	—	†	†	†	4	11
Miscellaneous deductions	659	210	372	30	17	5	4	†	†	14	4
Deduction equivalent of:											
Total credits	659	429	10	†	†	6	7	7	8	178	8
Foreign tax credit	659	437	4	†	†	6	7	7	9	177	8
Business credit	659	654	†	†	—	—	—	—	—	—	—
Investment credit	659	637	18	†	†	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	659	117	356	53	34	18	15	8	9	21	28

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deductio or credit	nder 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	595	207	148	26	11	15	10	5	3	37	133
Interest paid deduction:											
Total	595	287	156	23	8	12	7	9	4	45	44
Investment interest per income concept	595	260	219	37	19	13	2	8	6	12	19
Investment interest exceeding investment income per concept	595	467	46	8	8	7	3	4	5	25	22
Taxes paid deduction	595	239	278	49	15	5	2	1	—	3	3
Contributions deduction	595	272	247	26	9	3	8	14	6	6	4
Medical and dental expense deduction	595	570	13	2	—	2	1	—	1	4	2
Net casualty or theft loss deduction	595	576	1	—	3	—	1	1	—	4	9
Miscellaneous deductions	595	295	254	17	6	2	3	1	1	13	3
Deduction equivalent of:											
Total credits	595	366	5	5	13	5	12	13	5	164	7
Foreign tax credit	595	379	1	5	4	5	12	13	5	164	7
Business credit	595	584	2	1	8	—	—	—	—	—	—
Investment credit	595	574	18	—	3	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	595	94	203	27	16	12	12	16	8	66	141

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 10—Returns Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	437	—	—	—	—	—	—	—	—	24	413
Interest paid deduction:											
Total	437	10	24	7	6	4	12	11	19	93	251
Investment interest per income concept	437	21	78	40	18	15	25	19	15	97	109
Investment interest exceeding investment income per concept	437	210	64	25	24	16	10	11	9	38	30
Taxes paid deduction	437	6	315	70	21	8	†	5	†	5	4
Contributions deduction	437	38	282	38	18	21	26	†	—	—	†
Medical and dental expense deduction	437	412	9	4	†	†	†	—	†	4	3
Net casualty or theft loss deduction	437	412	†	†	†	—	†	†	†	4	11
Miscellaneous deductions	437	102	264	26	16	5	4	†	†	13	4
Deduction equivalent of:											
Total credits	437	429	†	—	†	—	—	—	—	—	—
Foreign tax credit	437	437	—	—	—	—	—	—	—	—	—
Business credit	437	433	†	†	—	—	—	—	—	—	—
Investment credit	437	†	†	†	†	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	437	56	234	42	31	13	14	7	8	13	19

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	379	127	67	1	1	11	1	1	2	35	133
Interest paid deduction:											
Total	379	159	93	5	7	8	6	9	3	45	44
Investment interest per income concept	379	156	130	26	11	13	2	7	4	12	18
Investment interest exceeding investment income per concept	379	281	21	6	8	5	3	4	4	25	22
Taxes paid deduction	379	139	173	44	10	4	2	1	—	3	3
Contributions deduction	379	162	154	20	5	2	7	13	6	6	4
Medical and dental expense deduction	379	357	11	1	—	2	1	—	1	4	2
Net casualty or theft loss deduction	379	360	1	—	3	—	1	1	—	4	9
Miscellaneous deductions	379	184	155	13	6	1	3	1	1	12	3
Deduction equivalent of:											
Total credits	379	366	4	—	9	—	—	—	—	—	—
Foreign tax credit	379	379	—	—	—	—	—	—	—	—	—
Business credit	379	369	2	—	8	—	—	—	—	—	—
Investment credit	379	376	1 *	—	2	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	379	33	64	18	10	10	4	10	4	65	141

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 11—Returns With and Without Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**103,045,170**	**100.0**	**93,580,613**	**100.0**	**7,974,601**	**100.0**	**1,115,593**	**100.0**	**374,363**	**100.0**
Returns without total income tax	17,674,078	17.2	17,654,435	18.9	16,554	0.2	2,430	0.2	659	0.2
Returns with total income tax	85,371,092	82.8	75,926,178	81.1	7,958,047	99.8	1,113,163	99.8	373,704	99.8
Effective tax rate:										
Under 5 percent	16,370,513	15.9	16,285,649	17.4	77,913	1.0	5,994	0.5	957	0.3
5 under 10 percent	28,983,012	28.1	28,503,055	30.5	456,015	5.7	21,403	1.9	2,539	0.7
10 under 15 percent	26,332,469	25.6	24,150,472	25.8	2,106,133	26.4	62,795	5.6	13,069	3.5
15 under 20 percent	9,848,913	9.6	6,226,589	6.7	3,459,336	43.4	149,254	13.4	13,734	3.7
20 under 25 percent	2,393,642	2.3	606,132	0.6	1,456,470	18.3	309,192	27.7	21,848	5.8
25 under 30 percent	743,778	0.7	56,969	0.1	312,617	3.9	321,001	28.8	53,191	14.2
30 under 35 percent	342,017	0.3	22,216	(*)	64,413	0.8	175,810	15.8	79,578	21.3
35 under 40 percent	195,063	0.2	16,944	(*)	11,535	0.1	51,332	4.6	115,252	30.8
40 under 45 percent	75,432	0.1	9,068	(*)	4,384	0.1	9,311	0.8	52,669	14.1
45 under 50 percent	28,175	(*)	5,876	(*)	2,476	(*)	2,963	0.3	16,860	4.5
50 under 60 percent	16,985	(*)	9,050	(*)	3,286	(*)	2,177	0.2	2,472	0.7
60 under 70 percent	2,918	(*)	859	(*)	398	(*)	910	0.1	751	0.2
70 under 80 percent	3,974	(*)	923	(*)	2,280	(*)	371	(*)	400	0.1
80 percent or more	34,201	(*)	32,376	(*)	791	(*)	650	0.1	384	0.1

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**103,045,170**	**100.0**	**93,182,451**	**100.0**	**8,023,050**	**100.0**	**1,310,209**	**100.0**	**529,460**	**100.0**
Returns without total income tax	17,674,078	17.2	17,652,406	18.9	18,870	0.2	2,207	0.2	595	0.1
Returns with total income tax	85,371,092	82.8	75,530,045	81.1	8,004,180	99.8	1,308,002	99.8	528,865	99.9
Effective tax rate:										
Under 5 percent	16,724,214	16.2	16,613,896	17.8	101,993	1.3	6,987	0.5	1,338	0.3
5 under 10 percent	29,095,855	28.2	28,414,103	30.5	626,458	7.8	52,382	4.0	2,912	0.5
10 under 15 percent	26,434,041	25.7	23,831,762	25.6	2,328,378	29.0	240,096	18.3	33,805	6.4
15 under 20 percent	9,952,634	9.7	6,042,228	6.5	3,415,898	42.6	298,248	22.8	196,260	37.1
20 under 25 percent	2,255,652	2.2	536,143	0.6	1,296,053	16.2	347,041	26.5	76,415	14.4
25 under 30 percent	552,963	0.5	41,142	(*)	199,763	2.5	242,698	18.5	69,360	13.1
30 under 35 percent	224,364	0.2	15,193	(*)	26,019	0.3	100,721	7.7	82,431	15.6
35 under 40 percent	80,058	0.1	13,472	(*)	4,791	0.1	16,119	1.2	45,676	8.6
40 under 45 percent	21,463	(*)	202	(*)	839	(*)	2,663	0.2	17,759	3.4
45 under 50 percent	4,819	(*)	—	—	1,698	(*)	560	(*)	2,561	0.5
50 under 60 percent	8,431	(*)	6,787	(*)	1,450	(*)	1	(*)	193	(*)
60 under 70 percent	308	(*)	1	(*)	1	(*)	240	(*)	66	(*)
70 under 80 percent	1,763	(*)	613	(*)	835	(*)	241	(*)	74	(*)
80 percent or more	14,527	(*)	14,503	(*)	4	(*)	5	(*)	15	(*)

(*) Less than 0.05 percent.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit.
NOTE: Detail may not add to total because of rounding.

Table 12—Returns With and Without Modified Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**103,045,170**	**100.0**	**93,580,613**	**100.0**	**7,974,601**	**100.0**	**1,115,593**	**100.0**	**374,363**	**100.0**
Returns without modified total income tax	17,658,014	17.1	17,638,594	18.8	16,554	0.2	2,429	0.2	437	0.1
Returns with modified total income tax	85,387,156	82.9	75,942,019	81.2	7,958,047	99.8	1,113,164	99.8	373,926	99.9
Effective tax rate:										
Under 5 percent	16,343,263	15.9	16,266,335	17.4	69,993	0.9	5,994	0.5	941	0.3
5 under 10 percent	28,963,693	28.1	28,491,661	30.4	448,096	5.6	21,402	1.9	2,534	0.7
10 under 15 percent	26,356,223	25.6	24,197,021	25.9	2,094,739	26.3	51,400	4.6	13,063	3.5
15 under 20 percent	9,868,213	9.6	6,226,589	6.7	3,467,255	43.5	160,647	14.4	13,722	3.7
20 under 25 percent	2,405,028	2.3	606,132	0.6	1,467,864	18.4	309,192	27.7	21,840	5.8
25 under 30 percent	751,695	0.7	56,969	0.1	320,536	4.0	321,003	28.8	53,187	14.2
30 under 35 percent	342,020	0.3	22,216	(*)	64,413	0.8	175,810	15.8	79,581	21.3
35 under 40 percent	191,668	0.2	16,944	(*)	11,535	0.1	51,334	4.6	111,855	29.9
40 under 45 percent	75,524	0.1	9,068	(*)	4,384	0.1	9,311	0.8	52,761	14.1
45 under 50 percent	28,268	(*)	5,876	(*)	2,477	(*)	2,963	0.3	16,952	4.5
50 under 60 percent	20,465	(*)	9,050	(*)	3,286	(*)	2,177	0.2	5,952	1.6
60 under 70 percent	2,921	(*)	859	(*)	398	(*)	910	0.1	754	0.2
70 under 80 percent	3,974	(*)	923	(*)	2,280	(*)	371	(*)	400	0.1
80 percent or more	34,201	(*)	32,376	(*)	791	(*)	650	0.1	384	0.1

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**103,045,170**	**100.0**	**93,182,451**	**100.0**	**8,023,050**	**100.0**	**1,310,209**	**100.0**	**529,460**	**100.0**
Returns without modified total income tax	17,658,014	17.1	17,636,565	18.9	18,870	0.2	2,200	0.2	379	0.1
Returns with modified total income tax	85,387,156	82.9	75,545,886	81.1	8,004,180	99.8	1,308,009	99.8	529,081	99.9
Effective tax rate:										
Under 5 percent	16,696,963	16.2	16,594,582	17.8	94,073	1.2	6,989	0.5	1,319	0.2
5 under 10 percent	29,073,058	28.2	28,402,709	30.5	618,539	7.7	48,907	3.7	2,903	0.5
10 under 15 percent	26,472,665	25.7	23,878,311	25.6	2,324,903	29.0	235,650	18.0	33,801	6.4
15 under 20 percent	9,963,985	9.7	6,042,228	6.5	3,419,373	42.6	306,169	23.4	196,215	37.1
20 under 25 percent	2,263,612	2.2	536,143	0.6	1,303,972	16.3	347,042	26.5	76,455	14.4
25 under 30 percent	560,896	0.5	41,142	(*)	207,682	2.6	242,699	18.5	69,373	13.1
30 under 35 percent	220,913	0.2	15,193	(*)	26,019	0.3	100,722	7.7	78,979	14.9
35 under 40 percent	80,139	0.1	13,472	(*)	4,791	0.1	16,121	1.2	45,755	8.6
40 under 45 percent	21,543	(*)	202	(*)	839	(*)	2,663	0.2	17,839	3.4
45 under 50 percent	8,347	(*)	—	—	1,699	(*)	560	(*)	6,088	1.1
50 under 60 percent	8,435	(*)	6,787	(*)	1,450	(*)	1	(*)	197	(*)
60 under 70 percent	310	(*)	1	(*)	1	(*)	240	(*)	68	(*)
70 under 80 percent	1,763	(*)	613	(*)	835	(*)	241	(*)	74	(*)
80 percent or more	14,527	(*)	14,503	(*)	4	(*)	5	(*)	15	(*)

(*) Less than 0.05 percent.
* Estimate should be used with caution because of the small number of sample returns on which it is based.
[1] Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit.
NOTE: Detail may not add to total because of rounding.

Section 5

Explanation of Terms

Explanation of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue (IR) Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1986.

Most of the definitions and explanations supplied in this section relate to column or stub titles used in one or more tables in this report. Some provide background or limitations to such titles. Therefore, explanations are written to provide information necessary to interpret the statistical tables to which they relate. Definitions marked with the symbol (#) are either new or modified definitions reflecting changes in the law or in Statistics of Income processing.

Section 6, 1986 Forms and Instructions, provides further information about many of the items in this report. The terms used in Section 4 differ substantially from those applicable to the remainder of the report and are defined separately in that section.

Additional Tax for Tax Preferences

Additional tax for tax preferences is the sum of alternative minimum tax plus deferred minimum tax. Although the requirement to pay the minimum tax ended in Tax Year 1982, taxpayers with a net operating loss might have been able to defer payment of minimum tax until Tax Year 1986. (See "Alternative Minimum Tax".)

Adjusted Gross Income Less Deficit

The broadest definition of gross income is all income from whatever source derived, including (but not limited to) the following:

- Compensation for services, including wages, fees, commissions, fringe benefits, and similar items;
- Gross income derived from business;
- Gains derived from dealings in property;
- Interest, rents, and royalties;
- Dividends;
- Alimony and separate maintenance payments;
- Annuities and pensions;
- Income from life insurance and endowment contracts;
- Income from discharge of indebtedness;
- Distributive share of partnership gross income;
- Income from an interest in an estate or trust;
- Prizes and awards;
- Some social security payments; and
- Some unemployment compensation.

Some items are specifically excluded (completely or partially) from gross income for income tax purposes. In particular:

- Accident and health insurance proceeds, "Black Lung" benefits, and casualty insurance proceeds;
- Child support payments;
- Cost-of-living allowances paid to U.S. Government employees stationed outside the U.S.;
- Employment agency fees paid directly by the taxpayer's employer and relocation payments;
- Federal Employees' Compensation Act payments;
- Gifts, bequests, or inheritances;
- Life insurance proceeds;
- Certain social security benefits;
- Meals and lodging provided by the employer for the employees' benefit;
- Military allowances and payments to dependents of military personnel;
- Certain payments to a beneficiary of a deceased employee;
- Payments to reduce the cost of winter energy consumption;
- Certain Railroad Retirement Act pensions and railroad retirement lump sum payments;
- Rental allowance of members of the clergy;
- Scholarship and fellowship grants;
- Certain veteran's benefits;
- Worker's compensation;
- Interest on most state or local government bonds;
- Mustering out benefits;
- Foster care receipts; and
- Employer provided benefits including insurance and pension payments.

Gross income is further reduced by excludable portions of items reported on Form 1040 to arrive at "Total Income" (line 23).

Following is a list of such items:

- Ordinary and necessary expenses of operating a farm or business;
- Expense deductions attributable to rents and royalties, and net adjustment for windfall profit tax withheld;
- Expenses of outside salespersons attributable to a trade or business carried on by the taxpayer;
- Depreciation deduction allowed life tenants and income beneficiaries of property held in trust;
- Deductible losses from sales of capital assets and other property;
- Excludable portion of the excess of net long-term capital gain over net short-term capital loss;
- Business net operating loss deductions;
- Exclusion of the ordinary income portion (in contrast to the amount treated as long-term capital gain) of the taxable amount of a lump-sum distribution from a qualified pension or retirement plan, taxed separately from other sources of income at the taxpayer's election;
- Limited exclusion of unemployment compensation;
- Limited exclusion of railroad retirement pension income;
- Limited exclusion of social security benefits;
- Limited exclusion of qualified foreign earned income;
- One-time exclusion of gain from sale of principal residence by individuals who are 55 years or older;
- Certain reduced uniformed services retirement pay;
- Employer contributions to simplified employee pension plans; and
- Exclusion of up to $100 ($200 on joint returns) of domestic dividends.

From Total Income (line 23 on Form 1040) the following statutory adjustments are subtracted to arrive at Adjusted Gross Income:

- Employee business and moving expenses;
- Contributions to a self-employed retirement fund ("Keogh Plan") by the self-employed, and to individual retirement arrangements (IRA's) by employees or self-employed persons;
- Forfeited interest penalties, incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Forestation/reforestation expenses;
- Deduction for two-earner married couples;
- The foreign housing exclusion; and
- Repayments of supplemental unemployment compensation received under the Trade Act of 1974.

A deficit occurs if the allowable exclusions and deductions exceed gross income.

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return, where they became either an increase to balance due or a reduction of overpayment. (See also "All Other Taxes.")

Age 65 or Over

The presence of the additional exemption allowed taxpayers age 65 or over was used as the basis of this classification. In the case of joint returns of husbands and wives, the return was considered a return of a taxpayer age 65 or over, regardless of whether one or two exemptions were claimed.

Alimony

Payments received as alimony or separate maintenance were income to the person receiving them and an adjustment to gross income for the person paying them if the payments were:

(1) required under the terms of a decree of divorce or separate maintenance, or a written instrument incident to that decree;

(2) paid in discharge of a legal obligation based on the marital relationship; or

(3) paid after the decree and on a periodic basis.

All Other Taxes

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's), and other unspecified taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the minimum tax carryover, alternative minimum tax, the advance earned income credit payments received, uncollected tax on tips, excess golden parachute payments, and section 72 penalty taxes. Alternative minimum tax is

tabulated in this report as part of "total income tax" and serves as part of the requirements for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

Alternative Minimum Tax

The Internal Revenue (IR) Code provides for special treatment of some kinds of income and allows special deductions for some kinds of expenses. So that individual taxpayers who benefit from these provisions will pay at least a minimum amount of tax, a special tax for individual taxpayers was in effect--the alternative minimum tax.

The alternative minimum tax was levied on benefits received in the form of deductions, and exclusions which reduced the effective tax rate. These benefits are known as "alternative minimum tax preferences" or "alternative minimum tax preference items" because they result from the preferential treatment given those items in the tax law.

The alternative minimum tax was computed by reducing alternative minimum taxable income (see definition below) by an exemption amount determined by filing status. If the return was filed jointly by a married couple or a surviving spouse, the amount was $40,000. The amount for single or head of household taxpayers was $30,000. For married couples filing separately, the amount was $20,000.

If the amount in excess of the exemption was greater than zero, it was multiplied by 20 percent, the alternative minimum tax rate. The residual amount of tax was reduced by "income tax after credits", excluding "additional taxes" (as reported on Form 1040). For taxpayers claiming a foreign tax credit, the amount of residual alternative minimum tax over additional taxes could be further reduced by the foreign tax credit. The amount that the alternative minimum tax was reduced by the foreign tax credit was computed by special rules and generally was limited to the proportion of alternative minimum income attributable to foreign sources compared to the total amount of alternative minimum taxable income.

Alternative Minimum Taxable Income

Alternative minimum taxable income was defined as adjusted gross income including any net operating losses plus the sum of the alternative minimum tax preference items (defined below) less the following:

(1) alternative tax net operating loss;

(2) alternative minimum tax itemized deductions;

(3) the amount of the alcohol fuel credit; and

(4) accumulated distributions made from a trust.

Alternative Minimum Tax Preferences

Because some income and deductions were given special treatment under the IR Code, many taxpayers would pay little or no tax if it were not for the alternative minimum tax. Below are the items that were tax preferences because they were given "preferential" treatment in the form of deductions, lower tax rates, and exclusions from tax:

(1) Dividend Exclusion--This is the portion (up to $100 per taxpayer - $200 for joint returns) of ordinary dividends not included in gross income or AGI,

(2) Capital Gains Deduction--This is that portion (60 percent) of the excess of net long-term capital gains over net short-term capital losses which was excluded from adjusted gross income,

(3) Incentive Stock Options--This amount is the difference between the fair market value of stock bought under an incentive stock option and the price paid for the stock,

(4) Accelerated Depreciation on Real Property--This amount represents the depreciation or amortization taken during the year on real property less the depreciation that would have been taken under the straight-line method,

(5) Accelerated Depreciation on Leased Personal Property--This amount represents the depreciation or amortization taken during the year on leased personal property less the depreciation or amortization that would have been taken under the straight-line method,

(6) Amortization of Certified Pollution Control Facilities--This amount represents the amortization deduction for a certified pollution control facility less the depreciation deduction normally allowed,

(7) Depletion--This amount is the depletion deduction for the year in excess of the adjusted basis in the property at the end of the year,

(8) Intangible Drilling and Development Costs--This is the "excess deduction amount" for intangible drilling and development costs for oil, gas, or geothermal wells (figured separately) when the deduction is more than the taxpayer's net income from the same items. The "excess deduction amount" is the excess of the allowable deduction for such costs (excluding those for drilling a nonproductive well) over the allowable deduction, had such costs been capitalized and amortized over a 120 month period,

(9) Mining Exploration and Development Costs--This is the amount allowed for current-year mining exploration and development costs less the deduction that would have been amortized over a 10-year period,

(10) Circulation and Research and Experimental Expenditures--This is the amount by which the current year deduction allowable for circulation costs (of newspapers, magazines, and other periodicals) and research and experimental expenditures exceeds the amount that would have been amortized over a 3-year period for circulation costs and a 10-year period for research and experimental expenditures, and

(11) Reserves for Losses on Bad Debts of Financial Institutions--This amount was the excess of additional reserves for bad debts less the amount that would have been allowed based on actual loss experience.

Business or Profession Net Income or Loss

This source of income was reported by individuals who were sole proprietors of a nonfarm business or self-employed members of a profession. A sole proprietorship is the simplest form of business organization. The business has no existence apart from its owner. Its liabilities are the personal liabilities of its owner. The taxpayer's interest in the sole proprietorship ends with its dissolution or the taxpayer's death.

When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all business activities. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net profit. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts and expenditures can be found in the annual summer issue of the Statistics of Income Bulletin.

Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040

These distributions included the following:

(1) Long-term capital gains credited or distributed to individual taxpayers by regulated investment companies and mutual funds. Gains credited but not distributed were reported as income, and

(2) Long-term capital gains distributed by real estate investment trusts.

Normally, taxpayers would have reported these distributions on the supporting schedule used for this type of income (Schedule D, Capital Gains and Losses). However, if the taxpayers did not need Schedule D to report any other gains or losses, they then entered 40 percent of the capital gain distributions directly on line 14, Form 1040.

For purposes of this report, "capital gain distributions reported on Form 1040" are tabulated as part of "sales of capital assets" and are reflected in the long-term capital gain and loss and net capital gain and loss data. (See also "Sales of Capital Assets Net Gain or Loss.")

Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

Casualty or Theft Loss, Nonbusiness

Nonbusiness casualty and theft losses were deductible from adjusted gross income to the extent that the nonreimbursable net loss for each such casualty or theft exceeded $100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. A theft was considered to be the unlawful taking and removing of money or property with the intent of depriving the owner of its use. A casualty was defined as a

complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature, such as a fire or storm.

For 1986, casualty and theft gains and losses were required to be netted. Net gains were realized if total reimbursements (such as insurance payments) exceeded total cost or fair market value for the items. Such net gains were required to be treated as capital gains and reported on Schedule D. Depending on the holding period for the lost asset, the net gains reported on Schedule D were treated as either short or long-term capital gains.

Child Care Credit

This credit was claimed by taxpayers who incurred expenses for the care of dependent children under age 15 or disabled dependents while these taxpayers were working. Qualifying expenses included those for services performed within the home by nondependent babysitters, maids, or cooks. Expenditures paid for the care of children under the age of 15 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or $2,400 if one qualifying child or dependent was involved and the lesser of earned income or $4,800 if more than one dependent was involved. The credit was equal to 30 percent of employment-related expenses for taxpayers with adjusted gross income of $10,000 or less. The credit was reduced by one percent for each $2,000 increment of adjusted gross income in excess of $10,000 up to $28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of $28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits and any excess was not refundable.

Contributions Deduction for Itemizers

Contributions deductible on Form 1040 as an itemized deduction from adjusted gross income included gifts in the form of cash or property to:

(1) the United States, a State, or a local government for exclusively public purposes;

(2) organizations created in the United States or its possessions or under the law of the United States and operated exclusively for:
   (a) religious purposes,
   (b) charitable purposes,
   (c) scientific purposes,
   (d) literary purposes,
   (e) educational purposes,
   (f) fostering national or international amateur sports competition, or
   (g) preventing cruelty to children or animals;

(3) nonprofit cemetery companies owned and operated exclusively for the benefit of their members;

(4) organizations of war veterans or their auxiliaries;

(5) domestic fraternal societies operating under the lodge system if the contributions were used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals;

(6) nonprofit volunteer fire company; and

(7) a nonprofit day care center.

Some out-of-pocket unreimbursable expenses that the taxpayer paid to do volunteer work for such organizations were also deductible. Individuals who were members of a partnership could also include in their contributions deductions their pro-rata share of partnership contributions.

In general, a deduction was allowed for all contributions up to 50 percent of adjusted gross income. Contributions to organizations which used the proceeds for external activities such as clinic health care or camps for children were limited to the 50 percent ceiling, but contributions to organizations which used the proceeds primarily to operate the organization were limited to the 30 percent ceiling. Contributions that you made for maintaining veterans organizations, fraternal societies, and nonprofit cemeteries were limited to 30 percent of your adjusted gross income. A 30 percent limit also applies to contributions of certain capital gain property to those organizations for which the 50 percent limit applies. There is a 20 percent of adjusted gross income limit that applies to gifts of long-term capital gain appreciated property contributed to specific organizations. Contributions exceeding any of the three limitations could be carried over and deducted in the next 5 years. Therefore, in addition to contributions made in 1986, the statistics also include amounts carried over from 1981-1985 that were within the current year's percentage limitations.

Cash contributions to a single organization of more than $3,000 were reported separately from other cash contributions, and these data are shown separately in Table 2.1.

Contributions Deduction for Nonitemizers (#)

Taxpayers who did not itemize their deductions were still able to benefit from tax law provisions for charitable contributions. The criteria which determined the deduction of charitable contributions was the same for non-itemizing as well as itemizing taxpayers. One hundred percent of charitable contributions were deductible up to limitations based on the size of AGI. For 1985, only one-half of such contributions were deductible.

Credit for Tax on Certain Gasoline, Fuel, and Oil

This was a credit allowed in full or in stated amounts for Federal excise taxes paid on gasoline, special fuels, and lubricating oil when the fuel oil was used for: (1) farming purposes, (2) operation of public passenger land transportation services (taxi-cab operators of qualified taxicabs), (3) operation of inner-city, local, or school buses, (4) non-highway purposes of a trade or business, and (5) operation of qualified diesel-powered highway vehicles. These taxes could be applied as a credit to reduce total tax liability when the individual return was filed (with any amount in excess of total tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three quarters of the year was at least $1,000. A one-time credit (or refund) was allowed to the purchaser of a new qualified diesel-powered highway vehicle after January 1, 1985. The credit amount was $198 for a truck or van and $102 for any other vehicle, and any such credit reduced the basis of the vehicle.

Credit for the Elderly and Permanently and Totally Disabled

A credit for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations) and to those taxpayers under age 65, retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled if he or she was medically determined to be "unable to engage in any substantial gainful activity because of a physical or mental impairment which could result in death or last 12 continuous months or more."

Individuals, age 65 or older, determined the base amount of income on which to figure the credit from an allowable amount of income classified by filing status and age. The classifications were grouped as follows:

Base Amount	Filing Status
$5,000	Single and 65 or over or disabled; married filing jointly with only one spouse either 65 or over or retired on disability,
$7,500	Married filing jointly with both spouses either 65 or over or retired on disability, and
$3,750	Married filing separately and either 65 or over or retired on disability.

Permanently and totally disabled individuals under age 65, determined the base amount on which to figure the credit as the lesser of the allowable amount (defined above) or taxable disability income. The base amount, for both qualifying groups was further reduced by the sum of nontaxable social security benefits, railroad retirement and veterans pensions, and other nontaxable pensions plus one-half of adjusted gross income in excess of an additional exclusion amount which was also classified by filing status and age. Lastly, the actual credit was computed as 15 percent of this amount.

The amount of the credit that could be claimed was limited to total income tax and any excess was not refundable.

Credit from Regulated Investment Companies

Taxpayers were instructed to include in gross income any amounts which were allocated to them as capital gain dividends from regulated investment companies, even if they were not actually received. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax.

This refundable credit was reported on line 62 of Form 1040 for Tax Year 1986; however, the following credits were also included as credit from regulated investment companies in SOI data:

(a) the excess hospital insurance benefits tax credit,
(b) the throwback credit,
(c) the credit for tax withheld by Canadian withholding agents,
(d) repayments under renegotiations of government contracts,
(e) repayments under "Claim-of-Right Doctrine,"
(f) the credit for interest from tax-free Covenant bonds, and
(g) the credit for tax withheld at source.

Credit on 1987 Estimated Tax

This credit was the part of the overpayment of 1986 tax which taxpayers specifically requested to be credited to their estimated tax for 1987. (See also "Overpayment" and "Estimated Tax Payments.")

Deduction for Working Married Couples

Married taxpayers who filed a joint return and who both worked qualified for a deduction. The maximum amount eligible for deduction was 10 percent of $30,000. The deduction was computed as 10 percent of qualified earned income of the lower earning spouse. Qualified earned income was equal to the sum of salaries and wages and other earned income, plus self-employment income, less the following adjustments: employee business expenses, payments to an IRA, payments to a Keogh plan, and repayments of supplemental unemployment benefits. Married taxpayers who filed Form 2555 (Foreign Earned Income) to exclude any income from tax or deduct certain housing costs; or who filed Form 4563 (Exclusion of Income From Sources In United States Possessions) to exclude income from tax, were not eligible for the deduction.

Dividend Exclusion

Taxpayers could exclude up to $100 ($200 on a joint return) of eligible dividends from adjusted gross income. For an explanation of eligible dividends, see "Domestic and Foreign Dividends Received."

Dividends in Adjusted Gross Income

Total domestic and foreign dividends less the dividend exclusion equaled dividends in adjusted gross income. (See also "Domestic and Foreign Dividends Received" and "Dividend Exclusion.")

Domestic and Foreign Dividends Received (#)

Domestic and foreign dividends received consisted of:

(1) dividends eligible for the dividend exclusion, which were dividends received from domestic corporations either directly or indirectly (e.g., as a beneficiary of income from estates or trusts, or as a partner for the taxpayer's distributive share of partnership profits), and

(2) dividends not eligible for the dividend exclusion, which were dividends received from foreign corporations, tax-exempt farmers' cooperatives, tax-exempt organizations, certain trusts that were in their final year, corporations most of whose business was conducted in U.S. possessions, dividends from real estate investment trusts, and dividends from regulated investment companies.

Domestic and foreign dividends did not include nontaxable distributions of stock or stock rights, returns of capital, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income; and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

Earned Income Credit

This was a credit available to low-income workers who maintained a household and had a dependent child or children whom they claimed as exemptions. This credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment.

The maximum credit was 11 percent of the first $5,000 of earned income, or $550, and was reduced by an amount equal to 12.5 percent of the taxpayer's adjusted gross income or earned income, whichever was larger, above $6,500. Thus, at the $11,000 adjusted gross income level (or earned income level) the credit was eliminated. Taxpayers were required to reduce their earned income credit by the amount of their alternative minimum tax.

Taxpayers were eligible to claim the earned income credit if:

(1) both AGI and earned income were less than $11,000;

(2) they maintained a household which was the principal place of abode for the taxpayer and a child or a descendant of the child;

(3) they maintained their principal home in the United States;

(4) they did not exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions, or claim a deduction for certain expenses of living abroad;

(5) they had a taxable year that represented a full 12 months; and

(6) they filed a joint return if married.

The earned income credit could result in a refund to the extent it was not used to offset income tax liability. Thus, even if individuals were not otherwise required to file returns, it was to their benefit to do so in order to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion (See also "Advance Earned Income Credit Payments.")

Employee Business Expenses

An employee was allowed a deduction in arriving at adjusted gross income for certain unreimbursed business expenses incurred in connection with any employment. These expenses were reported as an "adjustment" to income on the tax return and were separate from employee expenses treated as an itemized deduction. Expenses which qualified for the adjustment included:

(1) cost of travel, meals, and lodging while away from home in the performance of services as an employee;

(2) expenses to the extent covered by a reimbursement or expense allowance arrangement with the employer;

(3) business transportation costs, other than commuting; and

(4) outside salesperson's expenses of soliciting business for the employer.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Certain expenses of employees, such as work clothes, union dues, and employment agency fees, were not deductible in the computation of adjusted gross income, but were deductible as itemized deductions in the computation of taxable income. These expenses were included in "miscellaneous itemized deductions."

Estate or Trust Net Income or Loss

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed and amounts credited to beneficiaries' accounts from current-year fiduciary income, whether or not actually received, plus any other amounts which were properly paid, credited, or required to be distributed for that year.

Also included was the beneficiaries' share of any accumulation distribution made in the current year by the fiduciary of a complex trust for income accumulated in prior tax years. Beneficiaries' share of these distributions was reduced by their share of depletion and depreciation deductions before reporting the net amount as part of adjusted gross income.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from an estate or trust) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust which, for its last tax year, (a) still had a net operating loss carryover or a capital loss carryover, or (b) had deductions (other than those for exemptions and charitable contributions) in excess of gross income.

If a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount, on a return-by-return basis.

Estimated Tax Payments

This figure represented the total of the amounts paid quarterly and reported on the 1986 Declaration of Estimated Income Tax, Form 1040ES. The amount reported included any credit which was applied against the estimated tax by reason of an overpayment of 1985 tax liability. Individuals were required to make estimated tax payments if their estimated tax for Tax Year 1986 exceeded $500 and they estimated that the total amount of income tax withheld would be less than 80 percent of their estimated 1986 tax, or 100 percent of their 1985 tax.

Excess Itemized Deductions

This deduction concept represented the amount by which total itemized deductions exceeded the zero bracket amount. Since the zero bracket amount was built into the tax tables and the tax rate schedules, only "excess itemized deductions" (and not "total itemized deductions") was used in the calculation of taxable income. (See also "Zero Bracket Amount.")

Excess Social Security Taxes Withheld (#)

If a taxpayer received more than $42,000 from two or more employers in 1986, too much social security (FICA) and Railroad Retirement Act (RRTA) tax may have been withheld from the wages. Amounts in excess of $3,003 ($2,791.80 for 1985) could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions (#)

In the computation of taxable income, a $1,080 deduction was allowed for each exemption claimed.

An exemption was allowed for each taxpayer shown on a return (on joint returns the husband and wife were each regarded as a taxpayer). If either husband or wife filed a separate return, the spouse's exemption could be claimed on that return only if that spouse did not file a return, had no gross income, and was not the dependent of another taxpayer. Additional exemptions were allowed for a taxpayer or spouse who were age 65 or over, blind, or both.

Exemptions were also allowed for qualified dependents. In general, an individual qualified as a dependent if that person had gross income less than $1,080 ($1,080 or more if in category (2) below); received more than half of his or her support from the taxpayer, was related to the taxpayer (such as a son, daughter, or parent), or was a member of the household for the whole year; did not file a joint return with his or her spouse; and met certain citizenship requirements.

The total number of exemptions shown in this report includes some duplication. This occurred in the case of:

(1) dependents other than children who had gross income less than $1,080, but filed a return to obtain a refund of tax withheld on wages;

(2) dependent children with unearned income of $1,080 or more (dividends, interest, capital gains, and the like); and

(3) dependent children under 19 years of age or students regardless of age who either (a) were required to file a return because their gross income was $3,560 or more, or (b) had gross income of less than $3,560, all of it earned income, and filed a return only to obtain a refund of tax withheld on wages.

In each of these instances individuals were counted twice, as taxpayers filing their own returns and as dependents on another taxpayer's return.

Farm Net Income or Loss (#)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities.

Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss. To the extent that prepaid farming expenses of a cash-basis farmer exceeded 50 percent of total nonprepaid farming expenses, amounts paid for feed, seed, and similar farm supplies could be deducted only as the supplies are used. Unlike Tax Year 1985, taxpayers could not claim deductions for land-clearing expenses in preparation for farming.

Excluded from farm net profit or loss were gains from certain sales of livestock and crops which qualified for capital gains treatment, as well as farm rental income. Gains from sales of livestock (other than poultry) qualified for capital gains treatment if the livestock had been held for 12 months or more (in the case of cattle or horses acquired after 1969 for 24 months or more), as long as livestock were held for breeding, dairying, or sporting purposes. Gains from sales of unharvested crops, when sold with the land on which they were growing, qualified for capital gains treatment if the land had been held for 12 months or more. For taxation purposes (and for purposes of this report), these types of income were included in long-term capital gains. On the other hand, farm rental income--that based on crops or livestock produced solely by the tenant, without material participation of the landowner or sublessor in the operation or management of the farm--was included in rent net income or loss.

Foreign Earned Income and Foreign Housing Exclusions

Taxpayers could exclude from gross income a certain amount of their foreign earned income and employer provided foreign housing expenses if their tax home was in a foreign country and they were either:

(1) a U.S. citizen and a bona fide resident of a foreign country or countries for an uninterrupted period that included a tax year, or

(2) a U.S. citizen or resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months.

For 1986, qualified individuals continued to be limited to the lesser of an $80,000

exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

The foreign earned income exclusion is not tabulated separately in SOI data, but is reported as a negative value in other income. (See "Other Income.")

Foreign Housing Deduction

Individuals qualifying for the exclusion of foreign earned income could deduct foreign housing amounts from gross income if their employer did not pay any of their housing costs or if they were self-employed. The housing deduction was limited to the amount that a taxpayer's foreign earned income exceeded the sum of their foreign housing exclusion and foreign earned income exclusion. Any excess housing deduction could be carried over to 1987, but only to the extent that the taxpayer's foreign earned income exceeded the sum of foreign earned income exclusion, housing exclusion, and housing deduction for that year.

Foreign Tax Credit

Individuals who had paid income or excess profit taxes to a foreign country or U.S. possession or any political subdivision, agency, or instrumentality of the country or possession, could claim this credit against income taxes. (The taxpayer had the option of reporting foreign taxes paid as an itemized deduction.) The credit was for the income and profits taxes paid and included the taxpayer's share of such taxes paid through partnerships, regulated investment companies, and fiduciaries. In general, the tax credit was limited to income tax after personal credits multiplied by the ratio of taxable income from foreign sources to the entire taxable income. The result - the foreign tax credit - could not exceed the foreign taxes paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1986 could be carried back two years and then forward five years for use in computing the credit for those years. A taxpayer's credit could have been reduced if he or she participated in an international boycott. Additional information on foreign tax credits, foreign earned income, and foreign housing deductions is available in Statistics of Income Bulletin, Publication 1136, Summer 1987 issue.

Forfeited Interest Penalty Adjustment

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to gross income.

Fully Taxable Pensions and Annuities

This type of pension or annuity was obtained in connection with employment and was financed in whole (a non-contributory plan) by contributions of the employer. Since these pensions were paid entirely by an employer, the amount received by the employee was fully taxable. Additionally, fully taxable pensions and annuities included certain military retirement pay and IRA distributions. This amount was reported on line 16, Form 1040 (1986). (See "Pensions and Annuities.")

General Business Credit (#)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel credit, the employee stock ownership plan (ESOP) credit, and two credits added by the Tax Reform Act of 1986 -- the low-income housing credit and the research credit. Also, as a result of the 1986 Act, the 10 percent investment credit was repealed for property other than qualified timber property and certain transition property placed in service after 1985.

Taxpayers claiming more than one of the business credits were required to summarize them on a Form 3800, General Business Credit. The adjusted tax liability limitations for the combined credits were determined on the Form 3800. The general business credit was limited to 100 percent of the first $25,000 and 75 percent (down from 85 percent in 1985) of the excess over $25,000. The limit was $12,500 in the case of a married couple filing separately. If, however, one spouse had no current credit or unused credit, the spouse having a current credit or unused credit may have used the full $25,000 figure in determining his or her credit.

If the current year general business credit exceeded the tax liability limitation and could not be entirely used for Tax Year 1986, the excess amount could be carried back to the three preceding tax years. Any unused credit after carryback, could be carried forward to each of the 15 years after the year of the credit. Additionally all carryforwards of the business credits were added together and reported on Form 3800. Otherwise, taxpayers claiming a single credit did not have to file Form 3800 and were only required to use the appropriate form for the particular credit or credit carryforward.

Heads of Households, Returns of

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for more than six

months for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to nonresident aliens.

"Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and actually had to live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer. Taxpayers had to maintain a household for a full year for dependent parents living apart.

A special tax rate schedule was provided for heads of households which gave a portion of the benefits for lower rates accorded joint returns.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Averaging (#)

Certain taxpayers with unusual fluctuations in income were able to reduce the tax in higher income years by using income averaging. The standard income averaging computation permitted a part of an unusually large amount of taxable income for any one year to be taxed at a lower rate (i.e. changed the effective bracket or tax rate), thus resulting in a lower amount of tax due than would have resulted if the taxpayers had computed their tax using the regular tax computation method.

An eligible individual could choose this computation if the "averageable income" for the year was more than $3,000. "Averageable income" was the amount by which "adjusted taxable income" (taxable income for the computation year) exceeded 140 percent of the average "base period income" (the average of taxable income, with certain other adjustments for the three preceding tax years).

Briefly, the income averaging computation operated to tax all averageable income at the same rate which applied to the first one-fourth of such income. "Adjusted taxable income," from which the "averageable income" was derived covered all income except "excess community property income" and certain amounts received by owner-employees. "Base period income" included taxable income and income earned outside the United States or within U.S. possessions which had been excluded from taxation under the IR Code.

To be eligible to use the income averaging method taxpayers had to meet citizenship or residence tests. Taxpayers claiming the foreign earned income exclusion or deduction or those excluding income from sources within the U.S. possessions, the Virgin Islands, Guam, or Puerto Rico could not use the income averaging method.

For 1986, individuals could not average their income if they were a full-time student during any base period year unless they filed a joint return in the computation year and their income in the computation year was not more than 25 percent of total AGI on the joint return.

Income Subject to Tax

For taxpayers filing Tax Year 1986 returns and using the regular computation method, income subject to tax was the same as taxable income (adjusted gross income less the personal exemption amount and excess itemized deductions or the contributions deduction for non itemizers).

For taxpayers using the income averaging method, income subject to tax was a reduced amount of taxable income which was specially computed for the statistics by working backward from the tax itself. For taxpayers filing returns from prior years income subject to tax was adjusted for the statistics by working backward from the tax itself.

Income Tax After Credits

To arrive at income tax after credits, taxpayers deducted total personal credits (line 44, Form 1040) from income tax before credits (line 40, Form 1040). If the result was greater than zero, the foreign tax credit, and the general business credit, (the sum of the research and experimentation credit, the jobs credit, the credit for alcohol used as a fuel, the low-income housing credit, and the employee stock ownership plan credit), were then deducted from the residual to arrive at income tax after credits.

The portion of the earned income credit which did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits." (See also "Total Personal Credits" in this section.)

Income Tax After Personal Credits

For Tax Year 1986, this amount represented the deduction of "total personal credits" from "income tax before credits."

Income Tax Before Credits

This amount consisted of two components: "tax generated" or "taxes from income averaging" plus "taxes from special tax computations." Generally, "tax generated" was the tax liability computed on current-year "taxable income" based on:

(1) the regular tax, whether derived from the tax tables or tax rate schedules; or

(2) the income averaging tax.

(See also "Tax Generated" and "Taxes from Income Averaging.")

Income Tax Withheld

An employer could use either of the major methods of withholding--the "percentage" method, the "wage bracket" method, or an authorized alternative method. All the major methods of withholding were based on graduated rates ranging from 12 to 37 percent. Similarly, the result of any alternative method had to approximate the same amount as computed under one of the major methods.

Income tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration as reported on Form W-2; from pensions and annuities, and certain gambling winnings as reported on Form W-2P and W-2G respectively. Amounts withheld for distributions from profit-sharing, retirement plans, and individual retirement arrangements had withholding reported on Form 1099-R.

Also, a backup withholding rate of 20 percent was required to insure that income tax was collected from payments generally not subject to withholding. The purpose of this measure was to insure that certain taxpayers who failed to report or correctly report certain kinds of tax information paid an adequate withholding amount.

Individual Retirement Arrangement (#)

An Individual Retirement Arrangement (IRA) is a savings program that allows a taxpayer to set aside money for retirement. An individual could establish an IRA at a bank or other qualified financial institution, or by investing directly in individual annuity contracts issued by an insurance company. Contributions to such a plan were limited to the lesser of:

(1) an individual's compensation for the year;

(2) $2,000 ($2,250 if a nonworking spousal IRA was created); or

(3) the amount actually paid.

Such contributions could be deducted from the employee's gross income in arriving at adjusted gross income. Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2 and had to start doing so upon reaching age 70-1/2. Penalty taxes were assessed in the event the taxpayer failed to comply with these limitations.

Individuals could set up an IRA to include a nonworking spouse. To qualify the following conditions must have been met:

(1) the individual must have been married at the end of the tax year;

(2) they must have met the IRA requirements discussed earlier;

(3) they must have filed a joint return;

(4) the spouse must not have received any compensation during the tax year; and

(5) the spouse must have elected to be treated as if having no compensation by allowing a spousal IRA deduction on the joint return.

Only IRA contributions made before the due date of the return were deductible.

Interest Paid Deduction

Interest paid on personal debts, credit cards, mortgages, bank loans, and installment purchases of real or personal property was deductible, but interest paid on money borrowed to buy tax-exempt securities or single premium life insurance and endowment contracts was not. The amounts deductible as an interest expense included "investment interest" (that amount paid or accrued on indebtedness incurred, or continued, to purchase or carry property held for investment) as reported on Form 4952, Investment Interest Expense Deduction, subject to the limitations prescribed in the law. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics.

For installment purchases, interest paid included amounts stated in the contract, certain unstated amounts of interest, and finance charges.

Interest Received

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, U.S. savings bonds, and money-market funds. Taxpayers were also instructed to include so called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Excluded was most interest on State or local government obligations. Such interest was tax-exempt and, therefore, did not have to be reported on the tax return. If interest on accounts frozen by insolvent financial institutions was not received during the tax year, it was also excluded from income.

Investment Credit (#)

The Tax Reform Act of 1986 repealed the investment credit for most property put in service after December 31, 1985. A taxpayer could not claim any investment credit unless the property was:

(1) Transition property

(2) Qualified progress expenditure property

(3) Qualified timber property

(4) Certain rehabilitation property

(5) Business energy property

This meant that a taxpayer could no longer claim investment credit on property such as automobiles, delivery trucks, office equipment, and farm equipment.

The investment credit was claimed as one of the components of the general business credit and was subject to the net tax liability limitation thereof. Total investment credit was the sum of: (1) the regular investment credit, (2) the rehabilitation investment credit, and (3) the business energy investment credit.

The regular investment credit rate was 10 percent of the "qualified investment" in certain new and used depreciable assets (numbers 1 through 3 above) with a useful life of three years or more. The "qualified investment" was determined by the cost of the property, taking into account the length of the property's intended life and whether the property was new or used.

For qualified rehabilitation structures, there were three credit rates, namely:

(1) 25 percent for expenditures of certified historical structures;

(2) 20 percent for expenditures of 40-year old buildings; and

(3) 15 percent for expenditures of 30-year old buildings.

The business energy investment credit could be claimed against qualified biomass property, hydroelectric generating property, solar equipment, ocean thermal equipment, and geothermal equipment at rates of 10, 11, 12, 15, and 10 percents, respectively. For Tax Year 1986, the business energy investment credit was combined with the regular investment credit and limited to 75 percent of tax liability over $25,000.

Itemized Deductions

See "Total Itemized Deductions," and specific types.

Jobs Tax Credit (#)

For Tax Year 1986 the jobs tax credit was claimed as one of the components of the general business credit and was subject to the net tax liability limitations thereof. This tax credit could be elected by employers who hired individuals from certain targeted groups.

The credit was limited to 40 percent of the first $6,000 in qualified first year wages paid to eligible individuals who began work after January 1, 1986. The employee must have been employed for a minimum of a 90-day period between May 1 and September 15. A credit of 85 percent of first year wages up to $3,000 were paid to qualified summer youth employees (with a 14 day or 20 hour minimum employment requirement).

Employee targeted groups were:

(1) handicapped individuals referred by vocational rehabilitation programs;

(2) economically disadvantaged Vietnam-era veterans;

(3) economically disadvantaged youths between 18 and 24 years of age;

(4) recipients of supplemental social security income benefits;

(5) recipients of general assistance;

(6) economically disadvantaged youths between 16 and 19 years of age participating in a qualified cooperative education program;

(7) certain economically disadvantaged ex-convicts;

(8) eligible work incentive employees; and

(9) qualified summer youth employees.

In addition to being employed as a member of a group that was certified as a specified targeted group, the employee could not be a relative or dependent of the employer. More than half of the qualified wages received had to be income from working in the employer's trade or business. Those wages received from a Federally funded, on-the-job training program or payments from the Social Security Act did not qualify for the credit.

Any unused jobs credit could be carried back three years then forward fifteen years until it was used up.

Joint Returns of Husbands and Wives

These were returns of married taxpayers electing the joint return filing status. The income of each spouse had to be reported on these returns.

A married couple could not elect to file a joint return if: (1) their tax years began on a different date, or (2) they were separated under a decree of divorce or separate maintenance on the last day of the tax year.

Marital Filing Status

The five marital filing status classifications were:

(1) joint returns of husbands and wives;

(2) separate returns of husbands and wives;

(3) returns of heads of households;

(4) returns of surviving spouses; and

(5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is defined under a separate heading in this section.

Medical and Dental Expense Deduction

In general, medical and dental expenses could be claimed as itemized deductions to the extent that they exceeded 5 percent of adjusted gross income. Amounts paid for medicine and drugs or insulin were deductible only if they were prescribed. Taxpayers could also deduct a maximum of $50 per day for certain lodging expenses incurred for medical care. Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease.

Miscellaneous Deductions

Taxpayers were allowed to deduct certain specified nonbusiness deductions from adjusted gross income for which separate categories were not provided on the Schedule A.

Miscellaneous deductions included deductible employee expenses (for example, dues to professional societies, union dues, employment related education expenses, employment agency fees, and subscriptions to professional journals); deductible income producing expenses (for example, collection fees for interest or dividends, investment counsel fees); gambling losses not in excess of gambling winnings; certain business use of a home computer; certain legal and accounting fees; tax preparation fees; and qualified adoption expenses.

Modified Taxable Income (#)

Modified taxable income is the technical term used to describe the actual base computed for the statistics. For taxpayers using the regular tax computation method, modified taxable income is identical to taxable income. However, for taxpayers who used the income averaging computation, a modified taxable income was computed for the statistics. This was done by imputing a hypothetical taxable income amount necessary to yield the given amount of tax reported, using the tax rate schedule, as if income averaging had not been used.

Mortgage Interest Credit (#)

As a result of the Tax Reform Act of 1984, state and local governments may issue mortgage credit certificates (MCCs) to be used in connection with the acquisition, qualified rehabilitation, or qualified home improvement of your principal residence. A qualified MCC entitled a taxpayer to claim a credit against federal income tax and the certificate specified the amount of the debt that qualified for the credit and the credit's percentage rate (10 percent to 50 percent).

The credit was figured by multiplying the interest paid on the debt during the year by the credit's percentage rate. If the credit's percentage rate exceeded 20 percent, the maximum allowable credit was $2,000 a year. Taxpayers had to reduce their Schedule A itemized deduction for interest expense by the amount of the credit.

Moving Expense Adjustment

An employee (with the exception of members of the armed services) who had to move to a new residence as a result of changing jobs could deduct from gross income certain reasonable expenses for moving and house hunting. For employees to qualify for this deduction, the new job location had to be at least 35 miles farther from the former residence than the old job was. Retirees could deduct moving expenses for a move to a new home in the United States when they permanently retired if both their former main job location and home were outside the United States. In addition, the employee had to work full time for at least 39 weeks of the 12 months after the move. Self-employed individuals had to work full time for at least 78 weeks during the first 24 months to be eligible for this deduction.

Deductible expenses included those incurred from moving household goods and personal effects; and travel, meals, and lodging of the taxpayer and household members en route to the new residence. There were no dollar limita-

tions for these expenses. Other allowable expenses, subject to a $3,000 limitation, included house-hunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of a residence and purchase of a new residence.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Income

Included here were such items as prizes, awards, sweepstakes winnings, gambling profits, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, repayment of real estate taxes deducted in an earlier tax year if they reduced tax, free tours received from travel agencies, Veterans Administration rehabilitative program payments, Alaskan oil royalties, payments by a union to unemployed members, certain life insurance payments and any other income subject to tax for which there was no specific line provided on the return form. Taxpayers were required to apply any deduction for carryovers or carrybacks of business net operating losses against "other income." The foreign earned income exclusion was included in the calculation to reduce other income.

Other Tax Credits

"Other tax credits" is used as a residual category in the statistical tables and does not relate to a line item on a tax form. The two credits included in "other tax credits" were the "orphan drugs credit" and the "credit for fuel from a nonconventional source". The category included, in general, only those statutory credits which were used to offset income tax before credits and could not be identified as one of the following:

- research and experimentation credit,
- child care credit,
- investment credit,
- foreign tax credit,
- jobs credit,
- political contributions credit,
- residential energy credit,
- general business credit,
- elderly and permanently and totally disabled credit (credit for the elderly), and
- mortgage interest credit.

Other Taxpayments

"Other taxpayments" included the "throwback tax credit" allowed trust beneficiaries for certain taxes previously paid by the trust, and any other unidentified amounts that could not be allocated to one of the specified taxpayment items. Other tax credits, to the extent that they were in excess of total tax liability and were refundable, were also included in other taxpayments.

Overpayment

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," including the amount of any "refundable portion of the earned income credit." Overpayments could be refunded; or, at the taxpayer's election, taken as a credit on the subsequent year's estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See also "Credit on 1987 Estimated Tax" and "Refund.")

Overpayment of Windfall Profit Tax

This excise tax was imposed on producers of crude oil, but the tax was withheld and reported to the Internal Revenue Service by the first purchaser of such oil. If the tax was over withheld in the course of the year, the producer could claim a refund on his or her income tax return.

The overpayment could be due to two possible reasons. First, whenever withholding errors occurred, a refund of the amounts over withheld could be claimed by filing a Form 6249, Computation of Overpaid Windfall Profit Tax, with the Form 1040. And second, any over withholding due to the net income limitation could also be claimed on the Form 6249.

The two types of overpayment were combined and carried over to the Form 1040 and entered in the margin of the taxpayments section. For purposes of this report overpayment of windfall profit tax was reported as a separate item.

Partnership Net Profit or Loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or unincorporated association. The taxpayer's profit or loss shown in SOI data was his or her share of the ordinary gain/loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income, whether actually received or not, was the net result of all shares.

One of the deductions from partnership gross income, the Section 179 property expense deduction could not be determined for Tax Year 1986 due to a change in the design in 1985, of Schedule E (Supplemental Income Schedule). The new design resulted in the merging of

Section 179 property expense deductions from partnerships with Subchapter S corporations. The 179 property expense deduction covers certain qualifying depreciable business assets which could have been treated as an expense.

If a return showed net income from one partnership and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and loss reported from all partnerships; i.e., the net amount, on a return-by-return basis.

Additional information for partnerships can be found in the Statistics of Income Bulletin, Publication 1136, Summer, 1988.

Payment with Request for Extension of Filing Time

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension gained the taxpayer either a four or six month extension of time to file Form 1040 or 1040A. The application did not extend the time for payment of expected tax since full payment of any tax due had to be made with the application for extension. When taxpayers filed their Form 1040 or 1040A, they entered the amount paid with Form 4868 or Form 2688 to determine any tax still due or any overpayment of tax.

Penalty Tax on Individual Retirement Arrangements

Taxpayers could start withdrawing funds from an Individual Retirement Arrangement if they were disabled or after reaching age 59-1/2, and had to start doing so after reaching age 70-1/2. Withdrawals prior to reaching age 59-1/2 were subject to a penalty tax equal to 10 percent of the premature distribution unless the individual was disabled. Failure to withdraw funds after reaching age 70-1/2 resulted in the taxpayer's paying a 50-percent excise tax on the amount by which the minimum required distribution exceeded the distributions actually received by the individual during the year. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of $2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to six percent of the excess contribution. (See also "Individual Retirement Arrangement.")

Pensions and Annuities (#)

Generally, pensions represented periodic income received after retirement and made in consideration of past services with an employer, while annuities were income payable at stated intervals in consideration of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was one paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on line 16, "Fully taxable pensions and annuities," of Form 1040 rather than on line 17a, "Other pensions and annuities."

For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution. (In the case of a survivor beneficiary of a deceased employee, a death benefit exclusion of up to $5,000 could be excluded in addition to the deceased employee's contribution.) The entire amount of pensions received for the year was reported on line 17a, "Other pensions and annuities, including rollovers" of the Form 1040, with the taxable portion being computed on a separate worksheet and entered on line 17b, "Taxable amount."

The "three-year rule" which permitted an employee to exclude qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan, was no longer available after July 1, 1986. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

Political Contributions Credit

An individual taxpayer was allowed to take a credit against income tax for political contributions paid during the year. These political contributions could be to a candidate or candidates for election to a Federal, State, or local office, in a primary, general, or special election; a political campaign committee; a newsletter fund; or a national, State or local committee of a national political party. The credit equaled 50 percent of the amount contributed, limited to $50 ($100 on a joint return).

Refund

A refund of tax included all overpayments of taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Regular Tax Computation

Typically, the taxpayer, in determining "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied rates from one of three tax rate schedules to determine tax. In some instances, the taxpayer requested the Internal Revenue Service to compute the tax. Returns of all such taxpayers are classified under the regular tax computation method. In addition, current year returns of taxpayers whose taxable income was greater than zero, but less than or equal to the zero bracket amount, were also shown as having a regular tax computation. For these returns, no "tax generated" is shown.

Rent Net Income or Loss

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rent, amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. If a taxpayer used the rental property as a residence, rental expenses were limited to rental income.

Research and Experimentation Credit (#)

This credit was established to encourage businesses to increase the amounts spent on certain qualified research and experimentation. The credit was equal to 20 percent (25 percent prior to 1986) of the amount by which the qualified expenses for the year exceeded the average qualified expenses during the three years preceding the year for which the credit was taken. If the taxpayer had been in business less than three years special rules existed for imputing prior year research and experimentation expenditures on which to base the credit. Qualified expenses included: wages, cost of research supplies, payment to others for the use of computer time, and 65 percent of qualified research expenses performed under a contract.

The credit applied to research in the experimental or laboratory sense. It excluded research in the social sciences or humanities, or the part funded by any grant or contract by another person or government entity. In addition, to be eligible, the research had to have taken place within the United States.

This credit was extended through calendar year 1988. It was redesignated as a general business credit and was subject to the general business credit tax liability limitations.

Residential Energy Credit (#)

In order to reduce energy consumption and to encourage the development and use of alternative energy sources, a residential energy credit was available to taxpayers. The credit was made up of two separate parts, one based on qualified "energy conservation expenditures" and the other on qualified "renewable energy source expenditures," with different requirements for each type of qualifying expenditures. The entire residential energy credit was available for qualified items installed in or on the taxpayer's principal residence from April 20, 1977, through December 31, 1985.

The credit for energy conservation property was 15 percent of the first $2,000 of expenditures, including original installation costs, with a maximum credit of $300 per residence over the entire period the credit was to be in effect. This credit could only be taken if the residence was completed by April 20, 1977 and the residence was in the United States.

Qualifying energy conservation property included the following items:

(1) insulation designed to reduce the heat loss or gain of a home or water heater,

(2) storm or thermal windows or doors for the outside of the home,

(3) caulking or weatherstripping of outside doors or windows,

(4) clock thermostats or other automatic energy saving setback thermostats,

(5) furnace replacement burners, ignition systems that replace a gas pilot light, and flue opening modifications, and

(6) meters that show the cost of energy use.

The credit for renewable energy source property was 40 percent of the first $10,000 of expenditures, including labor costs for on-site preparation, assembly, or original installation, with a maximum credit of $4,000 per residence over the entire period the credit was to be in effect.

The renewable energy source property had to be new, and expected to remain in operation at least five years. Renewable energy source property included the following items:

(1) solar energy property for heating or cooling the home or for providing hot

water or electricity for use in the home,

(2) wind energy property for generating electricity or other forms of energy for home use, and

(3) geothermal energy property for heating or cooling the home or for providing hot water for use in the home.

The residential energy credit could not be claimed for energy saving items or renewable energy source property installed after 1985. However, unused credits from prior years could be carried forward.

Royalty Net Income or Loss

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under IR Code Section 1231, and, as a result of the separate computation required by that section, are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

Salaries and Wages

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- commissions,
- bonuses,
- tips,
- fees,
- excess reimbursement over employee business expenses,
- moving expense allowances,
- employer's payments to a nonqualified pension plan,
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his employer,
- severance pay,
- sick pay,
- the employee's portion of social security tax when paid by an employer,
- exercising a stock appreciation right,
- vacation allowances,
- payments received as the result of winning some legal suits,
- most disability payments,
- certain group-term life insurance premiums paid by an employer,
- strike and lockout benefits,
- certain meals or lodging, and
- the value of non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets Net Gain or Loss

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Assets used in the normal course of business activities, such as inventory held for sale during the ordinary conduct of business, and depreciable or real property held for sale or used in a trade or business, were specifically excluded from treatment as capital assets.

In addition, net gains from the disposition of certain types of property which were not classified as capital assets were treated as capital gains under IR Code Section 1231. These included property used in business, such as buildings and machinery, and also certain specific types of assets such as livestock, cut timber, coal, domestic iron ore and timber royalties, and unharvested crops sold with the land, if the land was held for more than six months.

On the other hand, all or a portion of net gains from some types of property included under the definition of capital assets could be denied capital gains treatment under certain other sections of the IR Code. Generally, these sections denied capital gains treatment to gains that resulted from using the asset in a trade or business.

The following concepts were used in the computation of net capital gain or loss for the purposes of this report:

Net short-term gain or loss--These were gains and losses from the sales or exchanges of capital assets held for six months or less. Short-term gains or losses from current year sales were combined with any short-term capital loss carryover, any net short-term gain or loss received from partnerships, S corporations, or fiduciaries, gains from the sale or exchange of a principal residence held six months or less, and gains from installment sales.

Net long-term gain or loss--These were gains and losses from sales or exchanges of capital assets held for more than six months. Long-

term gains and losses were eligible for special tax treatment (see "Net capital gain" below). To obtain the net long-term gain or loss, gains or losses for which taxpayers received Forms 1099-B (stocks, bonds, etc.) were combined with:

(1) net long-term gain or loss received from partnerships, fiduciaries, or S corporations,

(2) capital gain distributions of regulated investment companies (mutual funds) and real estate investment trusts,

(3) long-term capital loss carryover from prior years,

(4) gains and losses from sales or exchange of assets used in a trade or business and involuntary conversions,

(5) gains from the sale or exchange of a principal residence held more than six months, and

(6) long-term capital gains from installment sales.

Short-term capital loss carryover--This carryover equaled that portion of short-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Long-term capital loss carryover--This carryover equaled that portion of long-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains the actual amount shown as net capital gain (and thus carried into adjusted gross income) was computed by first subtracting short-term capital losses (if any), and then subtracting 60 percent of the remaining amount. Short-term capital gains, on the other hand, were always fully includable in net capital gain.

Net capital gain also included capital gain distributions which would have been reported on Schedule D, Capital Gains and Losses, except for the provision that taxpayers who had no other gains or losses could simply enter the portion of capital gain distributions included in adjusted gross income on line 14 of Form 1040. These distributions were always considered to be long-term capital gains. The statistics include a separate tabulation of capital gain distributions not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B).

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer generally showed a net capital loss. In many cases, however, the actual amount included in net capital loss (and thus carried into adjusted gross income) was less than the computed combined amount. For taxpayers with long-term capital losses, only 50 percent of such losses (reduced by any short-term capital gains) was includable in net capital loss.

After this reduction, net capital loss was further limited to the lesser of (a) net capital loss, (b) taxable income (computed without regard to capital loss or zero bracket amount), or (c) $3,000 ($1,500 for married persons filing separately).

Amounts of capital losses in excess of the above limitations, whichever was applicable, could be carried over to subsequent tax years.

Sales of Property Other Than Capital Assets Net Gain or Loss

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

(1) certain depreciable, depletable, and real business property;

(2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;

(3) certain copyrights; literary, musical, or artistic compositions; or similar properties;

(4) any share of gain or loss that otherwise qualified under this heading and was received through partnerships, S corporations or fiduciaries; and

(5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form

4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions.

S Corporation Net Profit or Loss

Net income from a qualified S corporation (defined in Section 1361 of the IR Code) was taxed directly through each stockholder. Net losses were allocated to each stockholder to be offset against income from other sources.

S corporation income shown in this report was the amount taxable to stockholders as ordinary income. Net long-term capital gain, reduced by the special tax imposed at the corporate level, retained its character in the hands of the stockholders and is included in the statistics for net gain or loss from sales of capital assets. Undistributed income earned in previous years was taxable to stockholders in the year it was earned and could be distributed during the current year without any further tax.

If a return showed net income from one S corporation and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and loss reported from all S corporations; i.e., the net amount on a return-by-return basis.

Additional information on S Corporations can be found in Statistics of Income--Corporation Income Tax Returns, 1985.

Self-Employed Retirement (Keogh) Plan Adjustment

The tax law allowed self-employed individuals to contribute to a qualified retirement plan (Keogh or H.R. 10 plan) and deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on earned income. For self-employed persons participating in simplified employment pensions (SEPs) compensation could not include amounts received as deferred compensation or as a pension or annuity. Thus, earned income was defined as:

(1) net earnings from self-employment, but only with respect to a trade or business in which personal services of the taxpayer were a material income-producing factor, and

(2) income from the disposition of certain property by individuals whose personal efforts created the property, excluding capital gains.

Additionally, the maximum amount of the annual deduction was the lesser of $30,000 or 25 percent of the participant's compensation.

Self-Employment Tax (#)

This tax, levied under the Social Security system, was reported by most individuals who had self-employment earnings of at least $400 derived from a sole proprietorship or from any share of partnership profits. In the case of individuals who were paid as an employee of a church or qualified church controlled organization that had in effect a certificate electing exemption from social security taxes, they were required to pay self-employment tax if they had remuneration of $100 or more. Ministers or members of certain religious orders could elect not to be covered by social security if they opposed social insurance on religious principle.

U.S. citizens employed by foreign governments or international organizations were not subject to self-employment tax on salaries. Certain types of income and deductions such as investment income, capital gains and losses, deductions for net operating losses, and casualty and theft losses were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1986 was $42,000, reduced by any wages on which social security tax had been withheld by any employer. The maximum self-employment tax payable was $5,166, based on the 12.3 percent rate in effect for that year. For 1985, the rate was 11.8 percent with the maximum amount of earnings being $39,600 and the maximum tax, $4,672.80.

Separate Returns of Husbands and Wives

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification.

If only one spouse filed a separate return, the other spouse's exemption could be claimed on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

Single Persons, Returns of

These were returns of (a) unmarried persons who did not qualify as head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild (who could be claimed as a dependent) for more than 6 but less than 12 months of the year.

Size of Adjusted Gross Income

The amount of adjusted gross income reported by the taxpayer on the return was the basis

for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having no adjusted gross income and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income class.

Social Security Taxes on Tip Income

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to $20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax, social security tax, or railroad retirement tax. Cash tips counted toward social security and railroad retirement benefits and an employee was required to report these tips to the employer; the employer then withheld the social security tax or railroad retirement tax. However, if the employer was unable to withhold the amount of social security tax or railroad retirement tax, the amount of uncollected social security tax or railroad retirement tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

State Income Tax Refunds

These amounts represented that part of a refund of State income tax attributable to itemized deductions taken in a prior year that resulted in a Federal tax benefit. Taxpayers were instructed not to net the refundable amount against the current year's itemized deduction for State and local income tax.

Statutory Adjustments

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. Statutory adjustments consisted of the moving expense deduction, employee business expense deduction, payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the two-earner married couple deduction, and the foreign housing deduction. Each of the above is described in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974.

Surviving Spouses, Returns of

These returns were filed by widows or widowers whose spouse had died during either of the two preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to an exemption.

Surviving spouse taxpayers could use the joint return tax rates for the two taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

Tax Credits

This item represents the sum of "Total Personal Credits", the "Foreign Tax Credit", the "General Business Credit", and "Other Tax Credits".

Tax Due at Time of Filing

"Tax due" was reported on returns on which "total tax liability" exceeded the "total taxpayments."

Tax From Recomputing Prior-Year Investment Credit

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back all or a portion of any investment credit taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

Tax Generated

This amount was the tax on "taxable income." On most returns (those without one of the "taxes from special computations or those not electing to use the income averaging method for determining their income tax"), this equaled "income tax before credits."

Tax Savings From Income Averaging

In this report, the amount of tax savings is the difference between the tax resulting from using the provision of the income averaging method from Schedule G (Income Averaging) and the amount of regular tax that would have resulted from not using this provision.

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences). Some returns classified as "nontaxable" may have had a liability for self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security and RRTA tax on tips. However, these taxes were disregarded for purposes of this classification, since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior-year's income or were penalty taxes. For the purposes of this report, the earned income credit was treated as an amount which could be used to offset income tax before credits. (Since the earned income credit was refundable, it was subtracted from income tax after reduction by all other statutory credits for the statistics.) As a result, some returns became nontaxable strictly because of the earned income credit when there was not additional tax for tax preferences and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed; the classification does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income

Taxable income was the amount to which taxpayers applied the tax tables or the tax rate schedules to arrive at "tax generated." It was determined by subtracting from adjusted gross income "excess itemized deductions" (or by adding the "unused zero bracket amount"), the charitable contribution deduction claimed by taxpayers who did not itemize, and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Taxable income was not tabulated for deficit returns or for returns on which excess itemized deductions plus the exemption amount equaled or exceeded adjusted gross income.

Taxes From Special Computations

These taxes represented the second component of "income tax before credits" (in addition to "tax generated") and consisted of:

(1) the "special averaging tax" (from Form 4972), computed by a taxpayer who received a lump-sum distribution from a qualified pension or retirement plan; and was eligible to use the 10-year averaging method;

(2) the "multiple recipient special averaging tax" (from Form 5544), computed by a taxpayer who received a share of a single lump-sum distribution from a qualified pension or retirement plan; and

(3) the tax on accumulation distributions of trusts (from Form 4970), computed by a taxpayer who received a distribution in the current year which was based on income accumulated by a trust in prior years.

Taxes Paid Deduction

Taxes allowed as a deduction from adjusted gross income included personal property taxes, state and local income taxes, certain state and local general sales taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real estate taxes except those levied for improvements that tended to increase the value of the property. Federal taxes and State and local taxes on cigarettes, tobacco and alcoholic beverages were not deductible, nor were State and local fees for vehicle license plates (unless the fees were based on the value of the vehicle) or driver's licenses.

Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, farm, and royalty income and are excluded from the "taxes paid" in this report.

Taxpayments

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

(1) income tax withheld, including backup withholding,

(2) excess social security taxes or railroad retirement tax withheld,

(3) credit for tax on certain gasoline, fuel, and oil,

(4) payments on 1986 declaration of estimated tax,

(5) payment with request for extension of filing time,

(6) credit from regulated investment companies,

(7) overpayment of windfall profit tax, and

(8) other taxpayments.

Each of the above is described under a separate heading in this section.

While the earned income credit was shown as a taxpayment of the tax return itself, it is tabulated separately for purposes of this report and not included as part of taxpayments. (See also "Earned Income Credit.")

Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

Total Itemized Deductions

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, and miscellaneous deductions.

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the zero bracket amount. Those individuals were dependents with unearned income of $1,080 or more; married persons filing a separate return when the taxpayer's spouse elected to itemize; dual status aliens (i.e., one who was both a nonresident alien and a resident alien or U.S. citizen during the year); and persons excluding income received from sources in U.S. possessions. Dependents with unearned income could substitute their earned income, if it was larger than their itemized deductions.

Total itemized deductions was the amount before the zero bracket amount was taken into account. It was tabulated only from returns showing positive adjusted gross income.

Total Personal Credits

For purposes of this report, total personal credits consisted of the following:

(1) child care credit;

(2) credit for the elderly and permanently and totally disabled;

(3) residential energy credit,

(4) political contributions credit, and

(5) mortgage interest credit.

This amount was deducted from income tax before credits to arrive at income tax after personal credits. (See also "Income Tax After Personal Credits.") Each of the above credits is described under a separate heading in this section.

Total Tax Liability

Total tax liability was the sum of income tax after credits, additional tax for tax preferences, self-employment or Railroad Retirement Tax Act taxes, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, uncollected employee social security and Railroad Retirement Tax Act tax on tips, tax on golden parachute payments reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit"). For purposes of this report, total tax liability did not include any advance earned income credit payments.

Type of Tax Computation

There were two methods of computing the tax on income subject to tax. These methods were:

(1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ; and

(2) income averaging, computed on Schedule G, Income Averaging.

Unemployment Compensation

All or a portion of payment received for unemployment compensation was includable in adjusted gross income, and thus subject to tax.

The taxable amount of unemployment compensation was determined by adding adjusted gross income and unemployment compensation for the year and subtracting the exclusion for unemployment compensation payments. The excluded amounts were $12,000 for single persons or married couples who filed separate returns and did not live together anytime during the year and $18,000 for married couples who filed joint returns. Married couples who filed separate returns and lived together anytime during the year were not eligible for the exclusion.

One-half of the excess over the exclusion, but not more than gross unemployment compensation, was determined to be taxable unemployment compensation.

Unused Zero Bracket Amount

This concept represented the amount by which the zero bracket amount exceeded total itemized deductions. It could arise only on returns of taxpayers who were required, by law, to itemize their deductions. Such taxpayers consisted of: (1) married persons filing separately whose spouse chose to itemize; (2) dual status aliens; (3) persons excluding income from sources in U.S. possessions, and (4) dependents with unearned income if their earned income was less than the zero bracket amount.

This last category of taxpayers consisted of any individual who could be claimed as a dependent by another taxpayer and had to file a tax return if he or she had unearned income (such as interest, dividends, or capital gains) in excess of $1,080. In addition, these taxpayers were required to itemize their deductions, even if the total amount of deductions was less than the appropriate zero bracket amount. (This was in contrast to most other taxpayers who could itemize their deductions only if the total itemized deductions exceeded their zero bracket amount.) If these dependent taxpayers also had earned income, such as wages, they could substitute the earned income, if larger, for the amount of itemized deductions. The amount of any earned income substituted, however, was limited to the zero bracket amount. For purposes of statistics in this report, those returns for taxpayers being claimed as dependents with earned income equal to or greater than the zero bracket amount were tabulated as "zero bracket amount only" returns. Those returns with earned income less than the zero bracket amount were tabulated as returns with itemized deductions, with any specified itemized deductions tabulated as reported by the taxpayer. Earned income used in lieu of itemized deductions to offset taxable income was tabulated as part of "miscellaneous deductions."

(See also "Zero Bracket Amount," and "Total Itemized Deductions.")

Zero Bracket Amount

This amount replaced the "standard deduction" which was in effect for 1976 and earlier years. For 1986, the zero bracket amount was $3,670 for married taxpayers filing jointly and surviving spouses, $2,480 for single persons and heads of households, and $1,835 for married taxpayers filing separately.

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Department of the Treasury—Internal Revenue Service

Form 1040 U.S. Individual Income Tax Return 1986

(O)

For the year January 1–December 31, 1986, or other tax year beginning ____, 1986, ending ____, 19____ OMB No. 1545-0074

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security number

Present home address (number and street or rural route) (If you have a P.O. Box, see page 4 of Instructions.) | Spouse's social security number

City, town or post office, state, and ZIP code | If this address is different from the one shown on your 1985 return, check here ▶ ☐

Presidential Election Campaign ▶ Do you want $1 to go to this fund? Yes ☐ No ☐ **Note:** Checking "Yes" will not change your tax or reduce your refund.
If joint return, does your spouse want $1 to go to this fund? Yes ☐ No ☐

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Filing Status (Check only one box)

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here ____
4 ☐ Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, enter child's name here ____
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19__). (See page 6 of Instructions.)

Exemptions (Always check the box labeled Yourself. Check other boxes if they apply)

6a ☐ Yourself ☐ 65 or over ☐ Blind
b ☐ Spouse ☐ 65 or over ☐ Blind
Enter number of boxes checked on 6a and b ▶
c First names of your dependent children who lived with you ____ Enter number of children listed on 6c ▶
d First names of your dependent children who did not live with you (see page 6) ____ (If pre-1985 agreement, check here ▶ ☐) Enter number of children listed on 6d ▶
e Other dependents

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of $1,080 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶
Add numbers entered in boxes above ▶
f Total number of exemptions claimed (also complete line 36)

Income (Please attach Copy B of your Forms W-2, W-2G, and W-2P here. If you do not have a W-2, see page 4 of Instructions.)

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*	7	
8	Interest income *(also attach Schedule B if over $400)*	8	
9a	Dividends *(also attach Schedule B if over $400)* ____ 9b Exclusion ____		
c	Subtract line 9b from line 9a and enter the result	9c	
10	Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions	10	
11	Alimony received	11	
12	Business income or (loss) *(attach Schedule C)*	12	
13	Capital gain or (loss) *(attach Schedule D)*	13	
14	40% of capital gain distributions not reported on line 13 (see page 9 of Instructions)	14	
15	Other gains or (losses) *(attach Form 4797)*	15	
16	Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9)	16	
17a	Other pensions and annuities, including rollovers. Total received 17a ____		
b	Taxable amount, if any, from the worksheet on page 10 of Instructions	17b	
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	
19	Farm income or (loss) *(attach Schedule F)*	19	
20a	Unemployment compensation (insurance). Total received 20a ____		
b	Taxable amount, if any, from the worksheet on page 10 of Instructions	20b	
21a	Social security benefits (see page 10) 21a ____		
b	Taxable amount, if any, from worksheet on page 11 (Tax-exempt interest ____)	21b	
22	Other income (list type and amount—see page 11 of Instructions) ____	22	
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶	23	

Adjustments to Income (See Instructions on page 11.)

24	Moving expenses *(attach Form 3903 or 3903F)*	24	
25	Employee business expenses *(attach Form 2106)*	25	
26	IRA deduction, from the worksheet on page 12	26	
27	Keogh retirement plan and self-employed SEP deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid (recipient's last name ____ and social security no. ____)	29	
30	Deduction for a married couple when both work *(attach Schedule W)*	30	
31	Add lines 24 through 30. These are your **total adjustments** ▶	31	

Adjusted Gross Income

32	Subtract line 31 from line 23. This is your **adjusted gross income.** *If this line is less than $11,000 and a child lived with you, see "Earned Income Credit" (line 58) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions.* ▶	32	

Tax Computation (See Instructions on page 13.)

33	Amount from line 32 (adjusted gross income)	33	
34a	If itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26. **Caution:** If you have unearned income and can be claimed as a dependent on your parents' return, see page 13 of Instructions and check here ▶ ☐. Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.	34a	
b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave $3,000 or more to any one organization, see page 14.) 34b ____		
c	Enter your noncash contributions *(you must attach Form 8283 if over $500)* 34c ____		
d	Add lines 34b and 34c. Enter the total	34d	
35	Subtract line 34a or line 34d, whichever applies, from line 33	35	
36	Multiply $1,080 by the total number of exemptions claimed on line 6f (see page 14)	36	
37	**Taxable income.** Subtract line 36 from line 35. Enter the result (but not less than zero)	37	
38	Enter tax here. Check if from ☐ Tax Table, ☐ Tax Rate Schedule X, Y, or Z, or ☐ Schedule G	38	
39	Additional taxes (see page 14 of Instructions). Enter here and check if from ☐ Form 4970, ☐ Form 4972, or ☐ Form 5544	39	
40	Add lines 38 and 39. Enter the total ▶	40	

Credits (See Instructions on page 14.)

41	Credit for child and dependent care expenses *(attach Form 2441)* 41 ____		
42	Credit for the elderly or for the permanently and totally disabled *(attach Schedule R)* 42 ____		
43	Partial credit for political contributions for which you have receipts 43 ____		
44	Add lines 41 through 43. Enter the total	44	
45	Subtract line 44 from line 40. Enter the result (but not less than zero)	45	
46	Foreign tax credit *(attach Form 1116)* 46 ____		
47	General business credit. Check if from ☐ Form 3800, ☐ Form 3468, ☐ Form 5884, ☐ Form 6478, or ☐ Form 6765 47 ____		
48	Add lines 46 and 47. Enter the total	48	
49	Subtract line 48 from line 45. Enter the result (but not less than zero) ▶	49	

Other Taxes (Including Advance EIC Payments)

50	Self-employment tax *(attach Schedule SE)*	50	
51	Alternative minimum tax *(attach Form 6251)*	51	
52	Tax from recapture of investment credit *(attach Form 4255)*	52	
53	Social security tax on tip income not reported to employer *(attach Form 4137)*	53	
54	Tax on an IRA *(attach Form 5329)*	54	
55	Add lines 49 through 54. This is your **total tax** ▶	55	

Payments (Attach Forms W-2, W-2G, and W-2P to front)

56	Federal income tax withheld	56	
57	1986 estimated tax payments and amount applied from 1985 return	57	
58	Earned income credit (see page 16)	58	
59	Amount paid with Form 4868	59	
60	Excess social security tax and RRTA tax withheld (two or more employers)	60	
61	Credit for Federal tax on gasoline and special fuels *(attach Form 4136)*	61	
62	Regulated investment company credit *(attach Form 2439)*	62	
63	Add lines 56 through 62. These are your **total payments** ▶	63	

Refund or Amount You Owe

64	If line 63 is larger than line 55, enter amount **OVERPAID** ▶	64	
65	Amount of line 64 to be **REFUNDED TO YOU** ▶	65	
66	Amount of line 64 to be applied to your 1987 estimated tax ▶ 66 ____		
67	If line 55 is larger than line 63, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1986 Form 1040" on it ▶	67	
	Check ▶ ☐ if Form 2210 (2210F) is attached. See page 17. **Penalty:** $ ____		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature ____ Date ____ Your occupation ____
Spouse's signature (if joint return, BOTH must sign) ____ Date ____ Spouse's occupation ____

Paid Preparer's Use Only

Preparer's signature ____ Date ____ Check if self-employed ☐ Preparer's social security no. ____
Firm's name (or yours, if self-employed) and address ____ E.I. No. ____ ZIP code ____

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Department of the Treasury
Internal Revenue Service

1986 Instructions for preparing Form 1040

and instructions for

Schedules A, B, C, D, E, F, and SE

(Tax Table—pages 37–42)

(Telephone Numbers for Ordering Forms—page 49)

(Telephone Numbers for Recorded Tax Information—page 46)

Note: *This booklet does not contain any tax forms.*

From the Commissioner

The new tax reform act makes sweeping changes in our tax laws that will affect all taxpayers. However, you will find that your tax forms this year are very similar to those you filed in the past. This is because most of the new tax changes do not take effect until after 1986 and therefore will not affect your 1986 taxes. We will be providing additional information throughout the coming year about these changes so that you will be familiar with them by the time you receive next year's tax forms.

I also am happy to tell you that the last tax filing season was one of our best ever, primarily because of the excellent efforts of our employees and their improvements in our system which permitted us to more quickly process your tax returns and issue refunds. We hope that you are pleased with the improvement in our performance, and we want you to know that we will continue to work to improve our system.

You can do some important things to make sure that your 1986 return can be processed promptly this year. First, after you complete your tax return, please check it carefully to make sure it is correct and also be sure to sign it. Second, if you received a preprinted name and address label from us, please use it because this label reduces the chance of error that may delay processing your return. Finally, please mail your return as soon as possible to avoid delays that may occur at the end of the filing season.

As your new Commissioner, I am committed to the continued improvement in the quality of the service that we are providing to you. All of us at the Internal Revenue Service are working very hard to improve the quality of our performance in order to deserve and obtain your continued respect and confidence. If you have any suggestions for improving our forms and instructions or our administration of the tax laws, please let me know by writing me at the Internal Revenue Service, Mail Stop 1040, 1111 Constitution Avenue, N.W., Washington, DC 20224.

Lawrence B. Gibbs
Commissioner of Internal Revenue

Important Reminders

Deduction for Charitable Contributions. Generally, for 1986, you may deduct all of your qualified charitable contributions even if you do not itemize your deductions. See the instructions for lines 34b through 34d on page 14 for more details.

Residential Energy Credit. You may not take a credit for energy saving expenditures made after 1985. However, if you have an unused credit from a prior tax year, you may be able to take a credit against your tax. Get **Form 5695,** Residential Energy Credit Carryforward, for details.

Tax Shelter Registration Number. A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach to your tax return **Form 8271,** Investor Reporting of Tax Shelter Registration Number, to report this number. Penalties are provided if you fail to report this number on your tax return.

Could You Pay Less Tax by Income Averaging? If there has been a large increase in your income this year, you may be able to pay less tax by using the income averaging method to figure your tax. Get **Schedule G** (Form 1040) to see if you qualify.

Employment Taxes for Household Employers. If you have a household employee, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, get **Publication 503,** Child and Dependent Care Credit, and Employment Taxes for Household Employers.

Voluntary Contributions To Reduce the Public Debt. If you wish to make a contribution to reduce the public debt, enclose a separate check with your income tax return and make it payable to "Bureau of the Public Debt." You may be able to deduct this contribution on your 1987 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Assembling Your Return. Attach all schedules and forms in order of the "Attachment Sequence No." that is shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No." for **Schedule A** (Form 1040) is 07. Attach forms without an attachment sequence number and any additional information sheets at the end of your return. See **Step 5** on page 4 for more details.

Mailing Your Return. If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File** on page 18. Envelopes with insufficient postage will be returned by the post office.

Telephone Service for Tax Refund Information. If it has been at least 10 weeks since you mailed your 1986 tax return, you can call a telephone number to find out the status of your income tax refund. For details on how to use this service, see **Tele-Tax Information** (the page numbers are in the index).

Unresolved Tax Problems. The Problem Resolution Program is for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. Although this office cannot change the tax law or technical decisions, it can assist in resolving problems that resulted from previous contacts.

Tax Law Changes Effective for 1987

The following information has no effect on your 1986 tax return. It is provided to give you enough time to comply with three of the many new changes included in the recently enacted Tax Reform Act of 1986.

Social Security Numbers for Dependents. Any person age 5 or over whom you claim as a dependent on your tax return next year must have a social security number, and that number must be shown on your 1987 return. If your dependent does not already have a social security number, the Social Security Administration will let you know how to apply for one.

Form W-4 Filing Requirement. You must file a new 1987 **Form W-4,** Employee's Withholding Allowance Certificate, with your employer before October 1, 1987. Otherwise, Federal income taxes will be withheld from your wages as if you claimed only one withholding allowance (two withholding allowances if your most recent W-4 form shows you are married). However, because of the numerous tax law changes effective for 1987, you may want to file the 1987 Form W-4 with your employer early in 1987 to make sure you have the right amount of income tax withheld from your wages. If you do this, you will meet the requirement for filing before October 1, 1987. You can get the new 1987 Form W-4 from your employer.

Estimated Tax Payments. Generally, for 1987 you should prepay, through withholding or estimated tax payments, at least 90% (previously 80%) of your 1987 tax or 100% of your 1986 tax, whichever is less. Otherwise, you may have to pay a penalty. **Form 1040-ES,** Estimated Tax for Individuals, is used to pay estimated tax. You can get Form 1040-ES from IRS.

If you want more information about these and other tax law changes effective for 1987, get **Publication 553,** Highlights of 1986 Tax Changes.

How To Use This Instruction Booklet

The instructions are divided into five main sections.

- **Section 1** contains information on who must file, how to choose the correct form to use, and when to file a return.
- **Section 2** contains helpful steps to get you ready to prepare your return.
- **Section 3** contains line-by-line instructions for most of the lines on the return.
- **Section 4** contains general information.
- **Section 5** contains instructions for most of the lines on many of the schedules that may be attached to Form 1040.

If you follow the steps in Section 2 and the line-by-line instructions in Section 3, we feel you can fill in your return quickly and accurately. You may also find some of the publications and **Tele-Tax information** listed in the instructions helpful.

Section 1

Filing Information

First, be sure you need to file a tax return.

Your marital status, filing status, age, and gross income determine whether you have to file a tax return. Gross income usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable benefits. See page 7 of the instructions to find out which types of income you should include.

Use the following chart to see whether you **must file a tax return.**

Who Must File (Caution: Also see **Other Filing Requirements** below.)

You must file a tax return if— **your marital status at the end of 1986 was:**	**and your filing status is:**	**and at the end of 1986 you were:**	**and your gross income was at least:**
Single (including divorced and legally separated)	Single or Head of household	under 65	$3,560
		65 or over	$4,640
Married with a dependent child (or a child whom you cannot claim as a dependent because of the rules on page 7 for **Children of Divorced or Separated Parents**) and living apart from your spouse during the last 6 months of 1986	Head of household	under 65	$3,560
		65 or over	$4,640
Married and living with your spouse at end of 1986 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	$5,830
		65 or over (one spouse)	$6,910
		65 or over (both spouses)	$7,990
	Married, separate return	any age	$1,080
Married, not living with your spouse at end of 1986 (or on the date your spouse died)	Married, joint return or separate return	any age	$1,080
Widowed in 1984 or 1985 and not remarried in 1986	Single or Head of household	under 65	$3,560
		65 or over	$4,640
	Qualifying widow(er) with dependent child	under 65	$4,750
		65 or over	$5,830
Widowed before 1984 and not remarried in 1986	Single or Head of household	under 65	$3,560
		65 or over	$4,640

Other Filing Requirements. Even if your income was less than the amounts shown above, you must file a return if any one of the following applied for 1986:

- You could be claimed as a dependent on your parents' return and you had $1,080 or more in income that was not earned income—for example, taxable interest and dividends.
- You owe any special taxes, such as:
  - social security tax on tips you did not report to your employer,
  - uncollected social security tax or RRTA tax on tips you reported to your employer,
  - alternative minimum tax,
  - tax on an Individual Retirement Arrangement (IRA), or
  - tax from recapture of investment credit.
- You received any advance earned income credit (EIC) payments from your employer(s).
- You had net earnings from self-employment income of at least $400.
- You had wages of $100 or more from a church or qualified church-controlled organization that is exempt from employer social security taxes.
- You exclude income from sources within U.S. possessions and your gross income was at least $1,080.

These rules apply to all U.S. citizens and resident aliens. They also apply to nonresident aliens and dual status aliens who are married to U.S. citizens or residents at the end of 1986 and who have elected to be treated as resident aliens.

If you were a nonresident alien at any time during 1986 (except as mentioned above), different rules apply. You may have to file **Form 1040NR**, U.S. Nonresident Alien Income Tax Return. Also get **Publication 519**, U.S. Tax Guide for Aliens.

Note: *Specific rules apply to determine if you are a resident or nonresident alien. See Publication 519 for details.*

Who Should File

Even if you do not have to file, you should file to get a refund if Federal income tax was withheld from any payments to you or if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A. If you file only to get a refund of tax withheld, you may be able to use Form 1040EZ.

When To File

You should file as soon as you can after January 1, but not later than April 15, 1987.

If you file late, you may have to pay penalties and interest. See **Penalties and Interest** on page 18.

If you know that you cannot file by the due date, you should ask for an extension using **Form 4868**, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.

Note: *Form 4868 does not extend the time to pay your income tax. See the instructions for Form 4868.*

If you are living or traveling outside the United States and Puerto Rico on April 15, you can get an automatic 2-month extension of time to file. Just attach a statement to your return explaining the details.

Which Form To File

You MAY Be Able To Use Form 1040EZ If:

- You were single and claim only your own personal exemption.
- You had **only** wages, salaries, and tips, and not more than $400 of interest income.

- Your taxable income is less than $50,000.
- You do not itemize deductions or claim any adjustments to income or tax credits.

You can use Form 1040EZ to deduct certain cash charitable contributions.

You MAY Be Able To Use Form 1040A If:

- You had income **only** from **wages**, salaries, tips, unemployment compensation, interest, or dividends.
- Your taxable income is less than $50,000.
- You do not itemize deductions.

You can also use Form 1040A to claim the deduction for a married couple when both work, the deduction for certain contributions to an Individual Retirement Arrangement (IRA), the credit for child and dependent care expenses, and the deduction for charitable contributions.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax. However, even if you meet the above tests, you must file Form 1040 if any of the following situations applies to you.

You MUST Use Form 1040 If:

- Your taxable income is $50,000 or more.
- You itemize deductions. (Read line 34a instructions that begin on page 13 to see if it would benefit you to itemize.)
- Your spouse files a separate return and itemizes deductions. Exception: You may still use Form 1040A if you have a child and can meet the tests on page 5 under **Married Persons Who Live Apart.**
- You can be claimed as a dependent on your parents' return **AND** you had interest, dividends, or other unearned income of $1,080 or more.
- You are a qualifying widow(er) with a dependent child.
- You were a nonresident alien during any part of 1986 and do not file a joint return. (You may have to file **Form 1040NR.**)
- You were married at the end of 1986 to a nonresident alien who had U.S. source income and who has not elected to be treated as a resident alien. Exception: You may be able to use Form 1040A if you meet the tests on page 5 under **Married Persons Who Live Apart.**
- You received, as a nominee, interest or dividends that actually belong to another person.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends or capital gain distributions.
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts (see page 23 of the instructions).
- You had any of the kinds of income shown on Form 1040, lines 10 through 19, 21b, and 22, such as taxable social security or railroad retirement benefits.
- You take any of the adjustments to income shown on Form 1040, lines 24, 25, 27, 28, 29, or any write-in amount included on line 31.

- You claim any of the credits on Form 1040, lines 42, 46, 47, or any write-in amount included on lines 44 or 48.
- You owe any of the taxes on Form 1040, lines 39, 50 through 54, or any write-in amount included on line 55 (other than advance EIC payments).
- You claim any of the payments on Form 1040, lines 57, 61, 62, or any write-in amount included on lines 62 or 63.
- You file any of these forms:

Form 1040-ES, Estimated Tax for Individuals, for 1986 (or if you want to apply any part of your 1986 overpayment to estimated tax for 1987).

Schedule G, Income Averaging.

Form 2210, Underpayment of Estimated Tax by Individuals.

Form 2555, Foreign Earned Income.

Form 4563, Exclusion of Income From Sources in United States Possessions.

Form 8271, Investor Reporting of Tax Shelter Registration Number.

Section 2

Steps for Preparing Your Return

Follow the five useful steps below to help you prepare your return. If you follow these steps and read the line-by-line instructions, we feel that you can fill in your return quickly and accurately.

Step 1

Get all of your records together.

Income Records. These include any Forms **W-2, W-2G, W-2P,** and **1099** that you may have. If you don't get a Form W-2 by February 2, 1987, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2, or correct it. If you cannot get a Form W-2 by February 15, call the toll-free telephone number listed in the instructions for your area. You will be asked for your employer's name, address, and, if known, identification number.

If you have someone prepare your return for you, you are still responsible for the correctness of the return.

Itemized Deductions and Tax Credits. Pages 14 through 22 of these instructions tell you what credits and itemized deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for items such as a home mortgage, car, or appliances.
- Records of payments for child and dependent care so you could work.

Step 2

Get any forms, schedules, or publications you need.

In general, we mail forms and schedules to you based on what you filed last year. Before you fill in your return, look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. Most IRS offices and many local banks, post offices, and libraries may have some of them. Or, you can use the order blank on the next to the last page of this instruction booklet. We will send you the forms, schedules, instructions, and publications you ask for.

Step 3

Check your return to make sure it is correct.

Step 4

Sign and date your return.

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Step 5

Attach all necessary forms and schedules.

Attach the first copy or Copy B of Forms W-2, W-2G, and W-2P to the front of Form 1040.

If you need more space on forms or schedules, attach separate sheets and use the same format as the printed forms, but show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets and attach them at the end of your return.

If you owe tax, be sure to attach your payment to the front of Form 1040.

Section 3

Line-By-Line Instructions

Name, Address, and Social Security Number Blocks

If you received a mailing label from us, please use it. But don't attach your label to your return until you complete the return. Make sure the label is correct. If it isn't, mark through the label and make corrections on the label. If you do not have a label, print or type your name, address, and social security number.

Caution: *If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.*

P.O. Box. If your post office does not deliver mail to your street address and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

Social Security Number. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, does not have a social security number, and you file a separate return, enter "NRA" in the block for your spouse's social security number. If you and your spouse file a joint return, your spouse must get a social security number.

If you don't have a social security number, please get **Form SS-5** from a Social Security Administration (SSA) office. File it with your local SSA office early enough to get your number before April 15. If you do not get the number by then, file your return and enter "Applied for" in the block for your social security number.

Name Change. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records. This may prevent delays in issuing your refund.

Joint Return. If you are married, filing a joint return, show the social security numbers in the same order that you show your first names. If you are filing a joint return and have different last names, please separate the names with an "and." For example: "John Brown and Mary Smith."

Presidential Election Campaign Fund

Congress established this fund to support public financing of Presidential election campaigns.

You may have $1 go to the fund by checking the **Yes** box. On a joint return, each of you may choose to have $1 go to this fund, or each may choose not to. One may choose to have $1 go to this fund and the other may choose not to.

If you check **Yes**, it will not change the tax or refund shown on your return.

Be not claim this amount as a credit for political contributions on line 43.

Filing Status

Lines 1 through 5

Single

Consider yourself single if on December 31 you were unmarried or separated from your spouse either by divorce or separate maintenance decree and you do not qualify for another filing status. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests explained on this page for **Married Persons Who Live Apart**, you may consider yourself single for the whole year and file as head of household.

If your spouse died in 1986, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1986.

Married

Joint or Separate Returns?

Joint Returns. Most married couples will pay less tax if they file a joint return. You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

***Note:** If you file a joint return, you may not, after the due date of the return, choose to file separate returns for that year.*

If your spouse died in 1986, you can file a joint return for 1986. You can also file a joint return if your spouse died in 1987 before filing a 1986 return. For details on how to file the joint return, see **Death of Taxpayer** on page 19.

***Tax Tip:** If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described on this page under **Married Persons Who Live Apart**.*

Special Rule for Aliens. —If at the end of 1986, you were a nonresident alien or dual-status alien married to a U.S. citizen or resident alien, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income. For more details, get **Publication 519**, U.S. Tax Guide for Aliens.

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income.

If you file a separate return, you each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

Special rules apply, however, for taxpayers who live in community property states. For details, get **Publication 555.**

In most instances if you file a separate return, you will pay more Federal tax because the tax rate is higher for married persons filing separately. The following also apply.

- You cannot take the deduction for a married couple when both work.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- If you lived with your spouse at any time in 1986 —

  a. You will have to include in income more of any unemployment compensation you received in 1986.

  b. You cannot take the credit for the elderly or for the permanently and totally disabled.

  c. You may have to include in income up to one half of any social security benefits (including railroad retirement benefits treated as social security) you received in 1986.

- You must itemize your deductions if your spouse itemizes, even if it is not to your tax benefit to do so.

If you file a separate return, enter your spouse's full name in the space provided on line 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, check the boxes on line 6b that apply if you can claim the exemptions for your spouse. Please see **For Your Spouse** on page 6.

Married Persons Who Live Apart. Some married persons who have a child and who do not live with their spouse may file as head of household and use tax rates that are lower than the rates for single or for married filing a separate return. This also means that if your spouse itemizes deductions, you do not have to. You may also be able to claim the earned income credit.

You should check the box on line 4 for Head of household if you meet **ALL** 4 of the following tests.

1. You file a separate return from your spouse.
2. You paid more than half the cost to keep up your home in 1986.
3. Your spouse did not live with you at any time during the last 6 months of 1986.
4. For over 6 months of 1986, your home was the principal home of your child or stepchild whom —

   a. you can claim as a dependent, **OR**

   b. the child's other parent claims as a dependent under the rules explained on page 7 for **Children of Divorced or Separated Parents.** (Enter this child's name in the space provided on line 4.)

Head of Household

***Tax Tip:** The tax rates for a person who can meet the tests for head of household are lower than the rates for single or for married filing a separate return.*

You may use this filing status **ONLY IF** on December 31, 1986, you were unmarried (including certain married persons who live apart, as discussed above) or legally separated and meet test 1 or 2 below.

1. You paid more than half the cost of keeping up a home, which was the principal home of your father or mother whom you can claim as a dependent, **OR**
2. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived for more than 6 months of the year (except for temporary absences, such as for vacation or school).

   a. Your **unmarried** child, grandchild, adopted child, or stepchild. This child does not have to be your dependent. However, your foster child must be your dependent.

   ***Note:** If this child is not your dependent, you must enter the child's name in the space provided on line 4.*

   b. Your **married** child, grandchild, adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules on page 7 for **Children of Divorced or Separated Parents,** this child does not have to be your dependent. (If your child is not your dependent because of these rules, you must enter the child's name in the space provided on line 4.)

c. Any other relative listed below whom you can claim as a dependent.

Parent	Brother-in-law
Grandparent	Sister-in-law
Brother	Son-in-law
Sister	Daughter-in-law, or
Stepbrother	A relative related by blood to
Stepsister	Uncle
Stepmother	Aunt
Stepfather	Nephew
Mother-in-law	Niece
Father-in-law	

***Note:** See instructions for lines 6c through 6e below for the definition of dependent.*

Special rules

- If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.
- You cannot file as head of household if you claim a relative described in 1 or 2 on page 5 as a dependent under a **Multiple Support Declaration.** (See page 7 for details on dependents supported by two or more taxpayers.)

Qualifying Widow or Widower With a Dependent Child

If your spouse died in 1984 or 1985 and you did not remarry in 1986, you may be able to use joint return tax rates for 1986. You can figure your tax at joint return rates if you meet **ALL** 3 of the following tests.

1. You could have filed a joint return with your spouse for the year your spouse died, even if you didn't actually do so.
2. Your dependent child, stepchild, adopted child, or foster child lived with you (except for temporary absences, such as for vacation or school).
3. You paid over half the cost of keeping up the home for this child for the whole year.

Check the box on line 5 for Qualifying widow(er) with dependent child and show the year your spouse died in the space provided. **Do not** claim an exemption for your spouse.

If your spouse died before 1984 and you were single in 1986, you may check the box on line 4 if you meet the tests under **Head of Household.** Otherwise you must file as single.

Exemptions

Line 6a

For Yourself

You can always take one exemption for yourself. Take two exemptions if you were blind, or 65 or over. Take three exemptions if you were blind and 65 or over. **Be** sure to check all the boxes on line 6a for the exemptions you can take for yourself.

You can take the extra exemptions for age 65 or over and blindness only for yourself and your spouse. You cannot take them for dependents.

Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1987, you can take the extra exemption for age for 1986.

Proof of Blindness. If you are completely blind, attach a statement to your return to this effect.

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that

1. you cannot see better than 20/200 in the better eye with glasses or contact lenses, **OR**

2. your field of vision is not more than 20 degrees.

If this eye condition will never improve beyond the standards in **1** or **2**, you may submit a certified opinion to this effect from an examining eye physician. You must attach this certification to your return only once. In later years you can just include a statement referring to it.

Line 6b

For Your Spouse

You can take exemptions for your spouse if you file a joint return. If you file a separate return, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

Your spouse's exemptions are like your own. Take one exemption for your spouse if your spouse was neither blind nor 65 or over. Take two exemptions if your spouse was blind or 65 or over. Take three exemptions if your spouse was blind and 65 or over. **Be** sure to check all the boxes on line 6b for the exemptions you can take for your spouse.

If at the end of 1986 you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you are considered married for the whole year.

If your spouse died in 1986 and you did not remarry before the end of 1986, check the boxes for the exemptions you could have taken for your spouse on the date of death.

Nonresident Alien Spouse. If you do not file a joint return, you may claim your spouse's exemptions only if your spouse had no income from U.S. sources and is not the dependent of another taxpayer. Use the boxes on line 6b to claim exemptions for a nonresident alien spouse. When claiming your spouse's exemption, enter "NRA" above the word Spouse on line 6b.

Lines 6c through 6e

Children and Other Dependents

Line 6c. Enter the first names of your dependent children who lived with you (except for temporary absences, such as for vacation or school). Fill in the total number in the box to the right of the arrow.

Line 6d. Enter the first names of your dependent children who did not live with you most of the year. Fill in the total number in the box on the right. If you are claiming a child under the rules explained on page 7 for **Children of Divorced or Separated Parents,** you must either

- attach **Form 8332,** Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement, **OR**
- check the box for pre-1985 agreements.

Line 6e. Enter the full names and other information for your other dependents. Fill in the total number in the box to the right of the arrow. You can take an exemption for each person who is your dependent.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 1986 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more details, **get Publication 501,** Exemptions.

Each person you claim as a dependent has to meet **ALL** 5 of those tests.

1. income,
2. support,
3. married dependent,
4. citizenship or residence, and
5. relationship.

These tests are explained below.

1. Income

In general, the person must have received less than $1,080 of gross income. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income received by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included in gross income for purposes of the income test. Get Publication 501 for details.

Special Rules for Your Dependent Child. Even if your child had income of $1,080 or more, you can claim your child as a dependent if tests 2, 3, and 4 below are met, and

- your child was under 19 at the end of 1986, or
- your child was enrolled as a full-time student at a school during any 5 months of 1986, or
- your child took a full-time, on-farm training course during any 5 months of 1986. (The course had to be given by a school or a state, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

A school includes

- elementary, junior, and senior high schools,
- colleges and universities, and
- technical, trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

2. Support

In general, you must have given over half of the dependent's support in 1986. If you file a joint return, the support can be from you or your spouse. Even if you did not give over half of the dependent's support, you will be treated as having given over half of the support if you meet the tests explained on page 7 for **Children of Divorced or Separated Parents** or **Dependent Supported by Two or More Taxpayers.**

In figuring total support, you must include money the dependent used for his or her own support, even if this money was

not taxable (for example, gifts, savings, welfare benefits). If your child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital items.—You must include capital items such as a car or furniture in figuring support, but only if they are actually given to, or bought by, the dependent for his or her use or benefit. Do not include the cost of a capital item for the household or for use by persons other than the dependent.

If you care for a foster child, see **Publication 501** for special rules that apply.

Children of Divorced or Separated Parents. The parent who has custody of a child for most of the year (the custodial parent) can generally take the exemption for that child if the child's parents together paid more than half of the child's support. This general rule also applies to parents who did not live together at any time during the last 6 months of the year. But the parent who does not have custody, or who has the child for the shorter time (the noncustodial parent), may take the exemption if either **a** or **b** below applies.

a. The custodial parent signs **Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents**, or similar statement, agreeing not to claim an exemption for the child in 1986, and the noncustodial parent attaches the form, or similar statement, to his or her 1986 tax return, **OR**

b. A decree of divorce or separate maintenance (or a written agreement) that was in effect before 1985 states that the noncustodial parent can take the exemption and he or she **gave at least $600** for the child's support in 1986. The noncustodial parent must check the box on line 6d for pre-1985 agreements. (This rule does not apply if the decree or agreement was modified after 1984 to specify that the noncustodial parent cannot claim the exemption.)

Note: *In figuring support, a parent who has remarried may count the support provided by the new spouse.*

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship, discussed on page 6 and this page are met.

In addition, the taxpayer who claims the dependent must:

a. have paid more than 10% of the dependent's support, and

b. attach to his or her tax return a signed **Form 2120, Multiple Support Declaration**, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1986 for the person he or she helped to support.

3. Married Dependent

The dependent did not file a joint return. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of all tax withheld, you may claim him or her if the other 4 tests are met.

4. Citizenship or Residence

The dependent **must have been** a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living the entire year with a U.S. citizen in a foreign country.

5. Relationship

The dependent met test **a** or **b** below.

a. Was related to you (or your spouse if you are filing a joint return) in one of the following ways.

Child	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	or, if related by
Father	Stepfather	blood:
Grandparent	Mother-in-law	Uncle
Brother	Father-in-law	Aunt
Sister	Brother-in-law	Nephew
Grandchild	Sister-in-law	Niece

Note: *Any relationships that have been established by marriage are not ended by death or divorce.*

b. Was any other person who lived in your home as a member of your household for the whole year. **A person is not a member of your household** if at any time during your tax year the relationship between you and that person violates local law.

The word child includes:

- Your son, daughter, stepson, or stepdaughter, or adopted son or daughter.
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption.
- A foster child (any child who lived in your home as a member of your family for the whole year).

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Welfare benefits.

Disability retirement payments (and other benefits) paid by the Veterans' Administration.

Workers' compensation benefits, insurance damages, etc., for injury or sickness.

Child support.

Gifts, money, or other property you inherited or that was willed to you.

Dividends on veterans' life insurance.

Life insurance proceeds received because of a person's death.

Interest on certain state and municipal bonds.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (You must report as income reimbursements for normal living expenses.)

Amounts an employer contributed on your behalf and benefits provided to you as an employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Cancellation of certain student loans where the student, under the terms of the loan, performs certain professional services for any of a broad class of employers.

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b. You may need some of the forms and schedules mentioned below.

Original Issue Discount (Schedule B).

Distributions from SEPs and DECs.

Amounts received in place of **wages**, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

Bartering income (fair market value of goods or services you received in return for your services).

Business expense reimbursements you received that are more than you spent for these expenses.

Tier 2 and supplemental annuities under the Railroad Retirement Act.

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid.

Your share of profits from S corporations (Schedule E).

Endowments.

Lump-sum distributions (Form 4972 or Form 5544) (See page 10.)

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).

Gains from the sale of your personal residence (Schedule D and Form 2119).

Accumulation distributions from trusts (Form 4970).

Prizes and awards (contests, raffles, lottery, and gambling winnings).

Earned income from sources outside the United States (Form 2555).

Director's fees.

Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get **Publication 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more details.

Community Property States

Community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

If you and your spouse live in a community property state, you must follow state law to determine what is community income and what is separate income. However, different rules could apply if:

- you and your spouse lived apart all year,
- you do not file a joint return, and
- no part of the community income you earn is transferred to your spouse.

For details, get **Publication 555**, Community Property and the Federal Income Tax.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example, $1.39 becomes $1 and $2.50 becomes $3.

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For information on allocated tips, get **Publication 531**, Reporting Income From Tips.

Include in this total:

- The amount that should be shown in Box 10 on **Form W-2**. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 53—see the instructions on page 15.)

Note: *Any tip allocation amount shown on Form W-2 may be added to your gross income unless you are able to prove a lesser amount with adequate records.*

- Disability pensions if you have not reached the minimum retirement age set by your employer.

Note: *Except for those disability pensions mentioned above, pensions shown on Form W-2P are reported on line 16 or line 17a of Form 1040.*

- Payments by insurance companies, etc., not included on Form W-2. If you receive sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income. (Get **Form W-4S** for information on withholding of Federal income tax from your sick pay.)

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment.
- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.
- Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2.

Note: *You must report on line 7 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization.*

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get **Publication 525, Taxable and Nontaxable Income**.

Fringe Benefits. If you used an employer provided highway motor vehicle for both personal and business use and your employer included 100% of the fair rental value of the vehicle in the wages, tips, and other compensation box (Box 10) of your W-2 form, you must use **Form 2106, Employee Business Expenses**, to claim a deduction for the business use of the vehicle. (The total fair rental value of the vehicle should be shown in Box 16a of your W-2 form or on a separate statement.) You must report on Form 1040, line 7, the total amount shown in Box 10 of your W-2 form. For more details, get Publication 525.

Line 8

Interest Income

Enter your **TOTAL** taxable interest income. If the total interest is more than $400, first fill in Schedule B (see page 22 of instructions).

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Interest that was credited in 1986 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1986 income. For details, get **Publication 550, Investment Income and Expenses**.

Generally, the payer will send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest.

If you received, as a nominee, interest that actually belongs to someone else, see Schedule B instructions on page 22.

Caution: *Be sure to give each payer of interest income your correct social security number. Otherwise, the payer may have to withhold 20% of the interest. You may also be subject to penalties.*

For more details, get Publication 550.

Examples of Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages. Special rules apply to loans with below-market interest rates. Get **Publication 535**.
- Tax refunds (report only the interest on them as interest income).
- Bonds and debentures. Also **arbitrage** bonds issued by state and local governments after October 9, 1969. (Do not report interest on other state and local bonds and securities.) Also report as interest any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount.
- U.S. Treasury bills, notes, and bonds.
- U.S. Savings Bonds. The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method **a** or **b** below.

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest, **OR**

b. Each year report on your return the yearly increase of the bonds' value.

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after report only the yearly increase. Once you have used method **b** to report your interest, you must continue to do so for all your U.S. Savings Bonds.

Note: *If you receive for 1986 a Form 1099-INT for U.S. Savings Bond interest, which includes amounts reported before 1986, see Publication 550.*

- Original Issue Discount (OID). This is the difference between the issue price of a debt instrument and the stated redemption price at maturity. If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments after July 1, 1982), include in your interest income the discount for the part of the year you held it.

If you bought a corporate debt instrument at original issue and held it for all of 1986 or the part of 1986 that it was outstanding, include in interest income the total OID from Form 1099-OID. If you bought a corporate instrument after its original issue, or if you did not hold it for all of 1986, get **Publication 1212, List of Original Issue Discount Instruments**, for information on how to figure your taxable OID. If you held a noncorporate debt instrument (such as a zero coupon U.S. Treasury-backed security) during 1986, see Publication 1212 to figure your taxable OID.

If you had OID for 1986, but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Publication 1212. It provides total OID on the instruments listed and gives computational information.

Also include in your interest income any other periodic interest shown on Form 1099-OID.

Line 9a

Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends

you receive through a partnership, an S corporation, or an estate or trust. Payers include nominees or other agents. Generally, the payer will send you a **Form 1099-DIV** for these dividends.

If you received, as a nominee, dividends that actually belong to someone else, see Schedule B instructions that begin on page 22.

***Caution:** Be sure to give each payer of dividends your correct social security number. Otherwise, the payer may have to withhold 20% of the dividend income. You may also be subject to penalties.*

If the total dividends, including capital gain and nontaxable distributions, are more than $400, first fill in Schedule B. (The instructions for Schedule B begin on page 22.) If you received $400 or less in dividends, include only the ordinary dividends on line 9a.

Dividends Include:

- **Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.
- **Capital gain distributions.** If you have other capital gains or losses, you should also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, don't use it. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.
- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains.

***Note:** Generally, payments from a money market fund are dividends.*

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8.

Line 9b

Dividend Exclusion

You can exclude (subtract) up to $100 of qualifying dividend income. If you and your spouse file a joint return, you can subtract up to $200, regardless of which spouse received the dividends.

Dividends must be from a domestic corporation to qualify for the exclusion. Dividends from mutual funds (other than money market funds) generally qualify for the exclusion. The corporation will tell you how much of the dividend qualifies.

The following taxable dividends **do not** qualify for the exclusion.

- Dividends from money market funds unless the corporation has told you how much of the dividends qualify.
- Dividends from foreign corporations, including controlled foreign corporations.
- Dividends from exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
- Dividends paid on stock held by employee stock ownership plans.

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund (or credit or offset) of state or local income taxes in 1986 that you paid and deducted before 1986, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive **Form 1099-G**, Statement for Recipients of Certain Government Payments, or similar statement, showing the refund.

Any part of a refund of state or local income taxes paid before 1986 that you were entitled to receive in 1986 but chose to apply to your 1986 estimated state income tax is considered to have been received in 1986.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ.

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A, use the following worksheet to figure the amount, if any, you must report as income for 1986.

However, see **Recoveries** in **Publication 525**, Taxable and Nontaxable Income, instead of using the worksheet below if any of the following applies.

- The refund you received in 1986 is for a tax year other than 1985.
- You received a refund (other than an income tax refund, such as a real property tax refund) in 1986 of an amount you deducted or credit you claimed in an earlier year.
- Your 1985 taxable income was less than your zero bracket amount.
- Your last payment of 1985 estimated state income tax was made in 1986.
- You were liable for the alternative minimum tax in 1985.
- You could not deduct the full amount of the credits you were entitled to in 1985 because the total credits exceeded the tax shown on your 1985 Form 1040, line 40.

Worksheet (Keep for your records)

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement)	
2. Enter the amount from your 1985 Schedule A, line 26	
3. **Taxable part of your refund.** Compare the amounts on lines 1 and 2, above, and enter the **smaller** of the two amounts here and on Form 1040, line 10	

Line 11

Alimony Received

Enter amounts you received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not provide this information to the payer, you may have to pay a $50 penalty. For more details, get **Publication 504**, Tax Information for Divorced or Separated Individuals.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 on page 12 for information on the rules that apply in determining whether these payments qualify as alimony.

Line 14

Capital Gain Distributions

If you do not need Schedule D for other capital transactions, enter 40% of your capital gain distributions on line 14.

Line 15

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the instructions for **Form 4797**. Enter the gain or (loss) from Form 4797.

Line 16

Fully Taxable Pensions, IRA Distributions, and Annuities

Use this line to report fully taxable pension and annuity income and regular individual retirement arrangement (IRA) distributions you receive. In general, you should receive a **Form W-2P** showing the amount of your pension or annuity. Also see **Lump-Sum Distributions** on page 10.

Your pension or annuity payments are fully taxable if:

- you did not contribute to the cost of your pension or annuity, or
- you got back tax free your entire cost before 1986.

Fully taxable pensions and annuities also include military retirement pay shown on Form W-2P and distributions from an IRA (including premature distributions, but not rollovers).

Enter on line 16 any taxable railroad retirement benefits from Box 12 of your **Form RRB-W-2P**. If an amount is shown in Box 13 of your form, get **Publication 575**, Pension and Annuity Income, for information on how to report your benefits.

Other pensions and annuities, including rollovers, should be shown on lines 17a and 17b.

For more details, get Publication 575.

Lines 17a and 17b

Other Pensions and Annuities, Including Rollovers

Use lines 17a and 17b to report pension and annuity income that is not fully taxable. In general, you should receive a **Form W-2P** showing the amount of your pension or annuity. If your Form W-2P does not show the taxable part of your pension or annuity, you must figure the taxable amount as explained on page 10. Also, use these lines to report distributions from profit-sharing plans, retirement plans, employee savings plans, and individual retirement arrangement rollovers.

Do not use lines 17a and 17b to report social security or railroad retirement benefits shown on **Forms SSA-1099** and **RRB-1099**. Instead, see the instructions for lines 21a and 21b.

The pension, annuity, or employee savings plan amounts may not be taxable until a later year if you meet **ALL 3** of the following requirements.

1. Both you and your employer contributed to the pension or annuity.
2. Your annuity starting date is before July 2, 1986. (Your annuity starting date is the later of the first day of the first period for which you receive a payment from the plan or the date on which the plan's obligations became fixed.)
3. The total amount you can expect to receive within 3 years from the date of your first annuity payment equals or exceeds your full cost. (Your cost includes amounts you contributed and amounts your employer contributed that you reported as income.)

If you meet **ALL 3** of the above requirements, complete the worksheet below to figure the taxable part of your pension or annuity. After you get back your full cost, all payments you receive are fully taxable.

Example. —You retired in 1986 with a monthly pension of $400. Both you and your employer contributed to it. Your annuity starting date is May 1, 1986. Your pension cost was $9,850. The amount you can expect to receive within 3 years is $14,400 (36 months × $400 = $14,400). Since this amount is more than your cost, you should exclude your pension until the payments total $9,850. After that, they are fully taxable and should be reported on line 16.

If you **do not** meet **ALL 3** of the above requirements, you must use a special method to figure the taxable part of your pension or annuity. For details, get **Publication 575**, Pension and Annuity Income. If you must use this method, enter the amount you received this year on line 17a. Enter the taxable part on line 17b.

Pension and Annuity Worksheet
(Keep for your records)

1a. Enter your cost	
b. Cost recovered in prior years	
c. Subtract line 1b from line 1a	
2. Amount received this year. Also enter this amount on Form 1040, line 17a	
3. Enter amount from line 1c above	
4. **Taxable amount.** Subtract line 3 from line 2. Enter the result (but not less than zero). Also enter this amount on Form 1040, line 17b	

***Note:** If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 17b.*

***Caution:** Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to penalties. For details, see Publication 575.*

For more information on pensions and annuities, get Publication 575. Retirees from the Federal government should get **Publication 567**, U.S. Civil Service Retirement and Disability. For information on military disability pensions, get **Publication 525**, Taxable and Nontaxable Income.

Total Distributions From Profit-Sharing, Retirement Plans, and Individual Retirement Arrangements

Rollover Distributions. A "rollover" is a tax-free transfer of cash or other assets from one retirement program to another. There are two kinds of rollovers to an individual retirement arrangement (IRA): (1) a rollover from one IRA to another, and (2) a rollover from a qualified employer's plan to an IRA.

Rollover distributions are reported to you on **Form 1099-R**. For a rollover distribution, enter the total distribution (excluding your nondeductible contribution, if any) on line 17a. If the total on line 17a was rolled over, enter zero on line 17b. Otherwise, enter the part that was not rolled over as ordinary income on line 17b. Special rules apply to partial rollovers of property. For details on partial or total IRA rollovers, get **Publication 590**, Individual Retirement Arrangements (IRAs).

For details on other rollovers, including distributions under qualified domestic relations orders, get **Publication 575**.

Lump-Sum Distributions. If you received a lump-sum distribution from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). **Form 1099-R** shows the amount of the distribution. You may pay less tax on this distribution if you are eligible to use the special 10-year averaging method. (This method cannot be used for lump-sum distributions from IRA plans.) For more details, get **Form 4972**, Special 10-Year Averaging Method, or **Form 5544**, Multiple Recipient Special 10-Year Averaging Method, and separate instructions.

Beneficiaries—Death Benefit Exclusion

If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to $5,000.

Special rules apply if you are the survivor under a joint and survivor's annuity. For details, get **Publication 575**.

If you are entitled to this exclusion, add it to the cost of the pension or annuity.

Lines 20a and 20b

Unemployment Compensation

Unemployment compensation (insurance) you receive may be taxable under certain conditions.

By February 2, 1987, you should receive a **Form 1099-G** showing the total unemployment compensation paid to you during 1986.

***Note:** Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040, line 7.*

To see if any of the unemployment compensation is taxable, fill in the worksheet that follows.

Unemployment Compensation Worksheet (Keep for your records)

Check only one box.

- ☐ **A.** Married filing a joint return—enter $18,000 on line 8 below.
- ☐ **B.** Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 8 below.
- ☐ **C.** Married not filing a joint return and **DID NOT** live with your spouse at any time during the year—enter $12,000 on line 8 below.
- ☐ **D.** All others—enter $12,000 on line 8 below.

1. Enter total unemployment compensation from **Form(s) 1099-G** here and on Form 1040, line 20a	
2. If you received an overpayment of unemployment compensation in 1986 and repaid it in 1986, enter the repayment here. Also write "repayment" and show the amount repaid on the dotted line to the left of line 20b	
3. Subtract line 2 from line 1	
4. Add the amounts shown on Form 1040, lines 7 through 19, plus line 22 (do not include any unemployment compensation in this figure)	
5. Add lines 3 and 4	
6. Add the amounts shown on Form 1040, lines 24 through 29, plus any write-in adjustments included in the total on line 31. **Do not** include any amount from line 30	
7. Subtract line 6 from line 5	
8. Enter { $18,000 if you checked box A, or -0- if you checked box B, or $12,000 if you checked box C or D }	
9. Subtract line 8 from line 7. If zero or less, enter -0-. On Form 1040, line 20b, do not complete lines 10 or 11. Otherwise, go on to line 10	
10. Divide the amount on line 9 by 2	
11. **Taxable unemployment compensation.** Compare amounts on lines 3 and 10, above, and enter the **smaller** of the two amounts here and on Form 1040, line 20b	

Lines 21a and 21b

Social Security Benefits (and Railroad Retirement Benefits Treated as Social Security)

Social security benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

By February 2, 1987, you should receive a **Form SSA-1099** showing the total social security benefits paid to you in 1986, and the amount of any social security benefits you repaid in 1986. If you received railroad retirement benefits treated as social security, you should receive **Form RRB-1099**. For more information, get **Publication 915**, Social Security Benefits and Equivalent Railroad Retirement Benefits.

Use the worksheet on page 11 to see if any of your benefits are taxable, but please note the following before you begin to complete it.

• You will first need to complete Form 1040, lines 7 through 20b, 22, and 24 through 29 if they apply to you to figure the taxable part, if any, of your benefits.

• If you repaid any benefits in 1986, and your total repayments (Box 4) were more than your total benefits for 1986 (Box 3), do not use the worksheet below. None of your benefits are taxable for 1986. But you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year. Get Publication 915 for details.

• If you file **Form 2555 or Form 4563**, or you exclude income from sources within Puerto Rico, use the worksheet in Publication 915 instead of the one below.

Social Security Benefits Worksheet (Keep for your records)

Check only one box.

- ☐ A. Single—enter $25,000 on line 8 below
- ☐ B. Married filing a joint return—enter $32,000 on line 8 below
- ☐ C. Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 8 below
- ☐ D. Married not filing a joint return and **DID NOT** live with your spouse at any time during the year—enter $25,000 on line 8 below

1. Enter the total amount from Box 5 of ALL your **Forms SSA-1099** and **Forms RRB-1099** (if applicable) _____

Note: If line 1 is zero or less, stop here; none of your benefits are taxable. Otherwise, go on to line 2.

2. Divide the amount on line 1 by 2 _____
3. Add the amounts on Form 1040, lines 7 through 20b, plus line 22. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099 _____
4. Enter any tax-exempt interest income you received in 1986. Also enter this interest in the space provided to the left of line 21b. **DO NOT** include this interest on line 21b _____
5. Add lines 2, 3, and 4 _____
6. Add the amounts on Form 1040, lines 24 through 29. Also enter on this line any write-in amount included on line 31. Do not include any amount entered on Form 1040, line 30 _____
7. Subtract line 6 from line 5 _____
8. Enter { $25,000 if you checked box A or B, or / $32,000 if you checked box B, or / -0- if you checked box C } _____
9. Subtract line 8 from line 7 _____

Note: If line 9 is zero or less, stop here. Do not enter any amounts on lines 21a and 21b because none of your benefits are taxable. Otherwise, go on to line 10.

10. Divide the amount on line 9 by 2 _____
11. **Taxable social security benefits.**
    - First, enter on Form 1040, line 21a, the amount from line 1 above.
    - Then, compare the amounts on lines 2 and 10 above, and enter the smaller of the two amounts on this line and also on Form 1040, line 21b _____

Note: If part of your benefits are taxable for 1986 AND they include benefits paid in 1986 that were for 1985 or 1984, you may be able to reduce the taxable amount shown on the worksheet. Get Publication 915 for details.

Line 22

Other Income

Use line 22 to report any income you can't find a place for on your return or other schedules. List the type and amount of income. For more information, see **Miscellaneous Taxable Income** in **Publication 525**, Taxable and Nontaxable Income.

Caution: Do not report any income from self-employment on line 22. If you do have any income from self-employment, you must use Schedule C or Schedule F. Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included on your Form W-2.

Examples of income to be reported on line 22 are:

- Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more losses than the winnings you report.

- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax. See Publication 525 for information on how to figure the amount to include in income.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Fees received for jury duty and precinct election board duty.

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1986, enter it as a minus figure on line 22. Attach a statement showing how you figured the amount. Get **Publication 536**, Net Operating Losses and the At-Risk Limits, for more details.

Adjustments to Income

Line 24

Moving Expenses

Employees and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business.

You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old residence to your work place. If you had no former principal work place, your new principal work place must be at least 35 miles from your former residence.

If you meet these requirements, you should see **Form 3903** for details. Use Form 3903 to figure the amount of moving expenses to enter on line 24. If you began work at a new work place outside the United States or its possessions, see **Form 3903F**.

If your employer paid for any part of your move, you must report that amount as income on Form 1040, line 7. Your employer should give you a **Form 4782** and include the amount paid in the wages, tips, and other compensation box (Box 10) on your **Form W-2**.

Line 25

Employee Business Expenses

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work), and meals and lodging can be deducted on line 25 even if you do not itemize deductions on Schedule A. You must use **Form 2106** to claim the deduction. All other business expenses, such as union or professional dues, tools, and uniforms, that were not paid by your employer can be deducted only as an itemized deduction on Schedule A. Outside salespersons must use Form 2106 to claim their business expenses on line 25. For details, see **Tele-Tax Information** in the index (topic no. 214) or get **Publication 463**, Travel, Entertainment, and Gift Expenses, or **Publication 917**, Business Use of a Car.

Line 26

Individual Retirement Arrangement (IRA) Deduction

You can deduct on line 26 contributions made to your IRA (including those made under a Simplified Employee Pension (SEP) plan or to a plan that accepts deductible employee contributions (DECs)). **Schedule C or F filers with a SEP and partners with a SEP take the deduction on line 27.**

You should receive, by June 1, 1987, a statement showing contributions made to your IRA for 1986. Before you figure your IRA deduction, please note the following.

- If you made contributions to your IRA in 1986 that you deducted on your 1985 Federal income tax return, **do not** include those contributions on your 1986 tax return.
- If you made contributions to your IRA in 1987 (by April 15, 1987) for 1986, be sure to include these contributions when you figure your IRA deduction for 1986.
- If your IRA deduction on line 26 is less than your IRA contributions and you do not withdraw this excess contribution before your return is due, file **Form 5329** to pay tax on the excess contribution.
- If you were married and contributions were made to an IRA for your **nonworking spouse** for 1986, you must file a joint return for 1986 to deduct these contributions. A **nonworking spouse** is one who had no wages or other earned income in 1986 or one who, in 1986, chooses to be treated as having no earned income for purposes of the IRA deduction. For example, if one spouse earned only $100, a combined total of up to $2,250 may be contributed to their IRAs.

- If you were married and you and your spouse worked and you both have IRAs, figure each spouse's deduction separately. Then combine the two deductions and enter the total of the two amounts on line 26.
- Do not include rollover contributions in figuring your deduction. See line 17 instructions on page 10 for more details on rollover contributions.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

Tax Tip: Alimony payments received under certain divorce or separation instruments are considered earned income for purposes of the IRA deduction. Get **Publication 590**, *Individual Retirement Arrangements (IRAs), for details.*

Use the worksheet below to figure your IRA deduction. However, if any of the following applies, use the worksheet in Publication 590 instead of the one below to figure your deduction:

1. Your employer made contributions to your IRA under a SEP plan.
2. You made deductible employee contributions (DECs) to a qualified employer plan.
3. You file **Form 2555**, Foreign Earned Income, to exclude income or housing costs.

IRA Worksheet (Keep for your records)

Your IRA—Complete lines 1 through 4 if you worked (or received alimony that qualifies as earned income) and had an IRA. (If you are married and both spouses work and both have IRAs, figure each spouse's deduction separately.)

1a. Amount contributed to your IRA in 1986 that you are deducting for 1986 _____

Note: Do not include on line 1a any amount you contributed in 1986 and deducted on your 1985 return, any employer's SEP contributions, any DECs, or any rollover contributions.

1b. Amount contributed to your IRA in 1987, by April 15, 1987, that you are deducting for 1986 _____
1c. Add lines 1a and 1b. Enter the total _____
2. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 27. (Do not include your spouse's income and do not reduce your wages by losses from self-employment.) _____
3. Maximum amount $2,000
4. Compare amounts on lines 1c, 2, and 3, and enter the **smallest** of the three amounts on line 4. If you do not have an IRA for your nonworking spouse (as defined on page 11), stop here and enter the amount from line 4 of this worksheet on Form 1040, line 26. Otherwise, go on to line 5a _____

Complete lines 5a through 10 ONLY if contributions were made to an IRA for your nonworking spouse (as defined on page 11).

5a. Amount contributed to your nonworking spouse's IRA in 1986 that you are deducting for 1986 _____

Note: Do not include on line 5a any amount you contributed in 1986 and deducted on your 1985 return, or any rollover contributions.

5b. Amount contributed to your nonworking spouse's IRA in 1987, by April 15, 1987, that you are deducting for 1986 _____
5c. Add lines 5a and 5b. Enter the total _____
6. Enter the amount from line 2 of this worksheet _____
7. Maximum amount $2,000
8. Compare amounts on lines 5c, 6, and 7, and enter the **smallest** of the three amounts on line 8 _____
9. Add amounts on lines 4 and 8 and enter the total, but do not enter more than $2,250 _____
10. Compare the amounts on lines 6 and 9 and enter the **smaller** of the two amounts on line 10. Also enter this amount on Form 1040, line 26 _____

Line 27

Keogh Retirement Plan and Self-Employed SEP Deduction

Caution: You must be self-employed to claim the Keogh deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh plan and your SEP on line 27.

There are two types of Keogh retirement plans:

- **Defined-contribution plan.**—The plan provides an individual account for each person in the plan. In general, if contributions to the plan are geared to the employer's profits, the plan is a profit-sharing plan. If contributions are not based on the employer's profits, the plan is a money purchase pension plan.
- **Defined-benefit plan.**—The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write "DB" on the line to the left of the amount if you have a defined-benefit plan.

For more details, get **Publication 560**, Self-Employed Retirement Plans.

Line 28

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 28. (Be sure to include the interest income on Form 1040, line 8.)

Line 29

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support. For details, see **Tele-Tax Information** in the index (topic no. 219) or get **Publication 504**, Tax Information for Divorced or Separated Individuals.

Caution: You must enter the recipient's last name, if different than yours, and his or her social security number in the space provided on line 29. If you don't, you may have to pay a $50 penalty and your deduction may be disallowed. If you paid alimony to more than one person, enter the social security number and last name, if applicable, of one of the recipients. Show the required information for the other recipient(s) on an attached statement. Enter your total payments on line 29.

Divorce or Separation Instruments Executed After 1984. Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if:

- the instrument does not prevent the payment from qualifying as alimony, and
- you and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance, and
- you are not required to make any payment after the death of your spouse or former spouse, and
- the payment is not treated as child support.

These rules also apply to certain instruments modified after 1984. Other rules apply if you paid more than $10,000 in any calendar year. For more details, see Publication 504.

Line 30

Deduction for a Married Couple When Both Work

You can claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have qualified earned income, and
- you do not file **Form 2555** or **Form 4563**.

Complete **Schedule W** (Form 1040) to figure the amount of your deduction.

Line 31

Total Adjustments

Add lines 24 through 30 and enter the total on line 31. Also include in the total on line 31 any of the following adjustments.

Forestation/Reforestation Amortization. If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 31. Write "Reforestation" in the space to the left of the total.

Repayment of Sub-Pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include the amount you repaid in 1986 in the total on line 31. Write "Sub-pay TRA" in the space to the left of the total. Or, you may be able to claim a credit against your tax instead. Get **Publication 525**, Taxable and Nontaxable Income, for more details.

Line 33

Adjusted Gross Income

If line 32 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045.** For more information, get **Publication 536,** Net Operating Losses and the At-Risk Limits.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or the penalty for late payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions described below.

- All of your income for 1986 was from one or more of these sources.
  - a. Salaries, wages, and tips.
  - b. Interest.
  - c. Dividends.
  - d. Pensions or annuities.
- You do not itemize deductions.
- You do not file **Schedule G,** Income Averaging.
- You do not file **Form 2555,** Foreign Earned Income.
- Your adjusted gross income (line 32) is not more than $50,000.
- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 15, 1987.
- You do not want any of your refund applied to next year's estimated tax.
- You give us enough information so that we can figure the tax. Please read the following instructions.

a. Fill in the parts of your return through line 37 that apply to you. The Line-By-Line Instructions that start on page 4 explain how to fill in your return.

b. Read lines 41 through 63. Fill in the lines that apply to you, but do not fill in the Total lines. Please be sure to fill in line 56 for Federal income tax withheld. See the instructions below if you want us to figure your credit for the elderly or for the permanently and totally disabled, or earned income credit.

c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately.

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure the following credits too. Fill in your return through line 37 as explained above. Follow the instructions below and sign, date, and mail your return before the due date.

Credit for the Elderly or for the Permanently and Totally Disabled. —If you qualify to take this credit, follow the instructions below. Be sure to attach **Schedule R** to your return. Write "CFE" on the dotted line to the left of line 42.

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 if applicable. Also, complete Part II if applicable.

Earned Income Credit. —If you qualify to take this credit (see the instructions for line 58 on page 16), write "EIC" on line 58.

Tax Computation

Line 34a

You will fall into one of the three classes below.

- You **MUST** itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described below.

You MUST Itemize Deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of $1,080 or more. Generally, this means that you must complete and attach Schedule A and complete the worksheet on this page. However, there are two exceptions to this rule.

Exception 1. You don't have to itemize deductions on Schedule A or complete the worksheet if you have **earned income*** of $2,480 or more if single ($1,835 or more if married filing a separate return). Enter zero (0) on line 34a and go on to line 34b.

Exception 2. You don't have to use Schedule A if you know that your earned income* is more than your itemized deductions. Instead, use the worksheet on this page after completing line 33 of Form 1040 and enter your earned income on line 3 of the worksheet.

Note: *If your unearned income is less than $1,080, you don't have to use Schedule A or the worksheet — enter zero (0) on line 34a and go on to line 34b.*

In any case, be sure to check the box below line 34a.

B. You are married, filing a separate return, and your spouse itemizes deductions.

C. You file **Form 4563** to exclude income from sources in U.S. possessions. (For details, get **Publication 570,** Tax Guide for U.S. Citizens Employed in U.S. Possessions.)

D. You had dual status as a nonresident alien for part of 1986, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1986 and you and your spouse agree to be taxed on your combined worldwide income.

After you've completed Schedule A:

a. If Schedule A, line 24, is more than line 25, enter the amount from Schedule A, line 26, on Form 1040, line 34a. Do not complete the worksheet on this page.

b. If Schedule A, line 25, is more than line 24, **do not** fill in Form 1040, line 34a. Go to the worksheet on this page instead and complete it to figure the amount to enter on Form 1040, line 35.

Worksheet (Keep for your records)

1.	Enter the amount from Form 1040, line 33	
2.	If you checked Form 1040, Filing Status Box: 2 or 5, enter $3,670 1 or 4, enter $2,480 3, enter $1,835	
3.	Enter the amount from Schedule A, line 24 (or, if you can be claimed as a dependent on your parents' return, enter earned income if earned income is more)	
	Caution: *If you can be claimed as a dependent on your parents' return, be sure you check the box below line 34a of Form 1040.*	
4.	Subtract line 3 from line 2	
5.	Add lines 1 and 4. Enter here and on Form 1040, line 35. (Leave Form 1040, lines 34a through 34d blank. Disregard the instruction to subtract line 34a or 34d from line 33. Follow the rest of the instructions for Form 1040 to complete your return.)	

The example below may help you to complete this worksheet.

Example. —Walter Green is single and is claimed as a dependent on his parents' return. Walter's adjusted gross income, Form 1040, line 33, is $4,000. Of this amount, $1,500 was wages and $2,500 was unearned income that he received as a beneficiary of a trust. Because Walter is being claimed as a dependent on his parents' return and has unearned income of $1,080 or more and earned income of less than $2,480, he must use the worksheet. His total itemized deductions are only $500. Since this is less than his earned income ($1,500), he does not have to complete Schedule A. Walter enters $2,480, the zero bracket amount for a single individual, on line 2 and his earned income on line 3. He completes the worksheet as shown below and enters the total of $4,980 on Form 1040, line 35. He then completes his return using the instructions that follow line 35.

1.	Adjusted gross income	$4,000
2.	Zero bracket amount for a single individual	$2,480
3.	Earned income	1,500
4.	Subtract line 3 from line 2	980
5.	Add lines 1 and 4. Enter here and on Form 1040, line 35	$4,980

Note: *If Walter's itemized deductions had been more than his earned income, he would have had to complete Schedule A first.*

*Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed.

*Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.

*Earned income does not include amounts that are actually a distribution of corporate earnings or profits rather than a reasonable allowance as compensation for your work for a corporation.

*If you were engaged in a trade or business in which both your services and capital were important income-producing factors, a reasonable amount of compensation for the services you performed will be considered earned income. However, the amount treated as earned income may not be more than 30 percent of your share of the net profits from the business.

You Choose To Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than $3,670.
- Married and filing a separate return, and your itemized deductions are more than $1,835.
- Single, or a Head of household, and your itemized deductions are more than $2,480.

If you do itemize, complete and attach Schedule A and enter the amount from Schedule A, line 26, on Form 1040, line 34a.

Caution: *Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions" on page 13.*

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a, unless you **MUST** itemize as described on page 13.

Lines 34b through 34d

Deduction for Charitable Contributions

For 1986, you may deduct what you actually gave to qualified charitable organizations if you do not itemize your deductions on Schedule A (Form 1040).

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are churches, United Way, and nonprofit schools and hospitals.

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution and the limits that apply to the amount that may be deducted, see the instructions for contributions on page 21.

Line 34b. Enter your total cash contributions (including out-of-pocket expenses). If you gave cash of $3,000 or more to any one organization, on the dotted line next to this total show to whom and how much you gave.

Line 34c. Enter your total gifts of property. If the total is more than $500, you must complete and attach **Form 8283,** Noncash Charitable Contributions. For information on the records you must keep for gifts of property, see **Recordkeeping** on page 21.

Line 36

Exemptions

Use the following chart to find the amount to enter on line 36. If you claimed more than 10 exemptions, multiply $1,080 by the total number of exemptions entered on line 6f.

If the number on Form 1040, line 6f, is:	On Form 1040, line 36, enter:
1	$1,080
2	2,160
3	3,240
4	4,320
5	5,400
6	6,480
7	7,560
8	8,640
9	9,720
10	10,800

Line 38

Tax

To figure your tax, use one of the following methods.

Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is $50,000 or more.

Also use the Tax Rate Schedules if you use **Schedule G,** Income Averaging, to figure your tax. You may pay less tax by using this method if there has been a large increase in your income this year. In some cases, you may benefit even if your 1986 income did not increase substantially. This will depend on the amount of your taxable incomes in the three base years (1983-1985). Get Schedule G to see if you qualify.

There is an example at the beginning of the schedules to help you figure the correct tax.

Tax Table

If neither of the above conditions applies to you, you **MUST** use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

There is an example at the beginning of the table to help you find the correct tax.

Line 39

Additional Taxes

Check the box(es) on line 39 to report any of the additional taxes listed below.

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Special 10-Year Averaging Method.

Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Credits

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself. Use **Form 2441** to figure the amount of any credit.

Please see Form 2441 for more information, including special rules for divorced or separated parents and certain employment taxes for which you may be liable.

Line 42

Credit for the Elderly or for the Permanently and Totally Disabled

You may be able to take this credit and reduce your tax if, by the end of 1986, you were:

- age 65 or over, or
- under age 65, you retired on permanent and total disability, and you had taxable disability income in 1986.

For more information, see the separate instructions for **Schedule R.** Enter the credit on line 42.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 13.

Line 43

Partial Credit for Political Contributions for Which You Have Receipts

You may take a tax credit on this line for contributions to candidates for public office and to newsletter funds and political committees of candidates and elected public officials.

Caution: *Do not take this credit for the $1 or $2 you checked to go to the Presidential Election Campaign Fund.*

To figure your credit, add up the amounts you gave. Enter half of this total on line 43, but do not enter more than $50 ($100 if you are married and filing a joint return).

Note: *You cannot deduct political contributions as charitable contributions.*

For more information, please get **Publication 585.**

Line 44

Add lines 41 through 43 and enter the total on line 44. Also include in the total on line 44 any of the following credits.

Carryforward of Residential Energy Credit. Generally, if you have an energy credit carryforward from a prior tax year, you may take a credit against your tax. Use **Form 5695,** Residential Energy Credit Carryforward, to figure the amount allowed as a credit for 1986. Include the amount of the credit in your total for line 44. On the dotted line next to this total, write "REC" (residential energy credit) and show the amount.

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your principal residence. Use **Form 8396,** Mortgage Interest Credit, to figure the credit. Include the amount of the credit in your total for line 44. On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount.

Line 46

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also get **Publication 514.** Enter the credit from Form 1116 on line 46.

Line 47

General Business Credit

Check the box(es) on line 47 if you can take any of the four credits listed below. Use the appropriate credit form (as described below) to figure the credit. If you have only one credit, enter on line 47 the amount of the credit from the form.

However, if you have a credit carryforward or take two or more of these credits, you must also complete **Form 3800** to figure the total credit and enter on line 47 the amount from Form 3800. Also be sure to check the box on line 47 for Form 3800.

Form 3468, Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985. For exceptions, see Form 3468.

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use Form 5884 to figure the credit. Get **Publication 906**, Jobs and Research Credits, for more details.

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit.

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Use **Form 6765** to figure the credit.

Line 48

Add amounts on lines 46 and 47 and enter the total on line 48. Also include in the total on line 48 any Credit for Fuel From a Nonconventional Source.

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See I.R. Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 48. On the dotted line next to this total, write "FNS" and show the amount.

Other Taxes

Line 50

Self-Employment Tax

If you had self-employment income in 1986, and earned under $42,000 in wages from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax. Please see **Schedule SE** (Form 1040) and instructions. If you have to pay self-employment tax, enter the amount from Schedule SE, line 14.

Line 51

Alternative Minimum Tax

You may be liable for the alternative minimum tax if your adjusted gross income added to your tax preference items total more than

- $40,000 if married filing jointly or qualifying widow(er) with dependent child, or
- $30,000 if single or head of household, or
- $20,000 if married filing separately.

Tax preference items include:

- dividend exclusion,
- accelerated depreciation,
- amortization of certified pollution-control facilities,
- capital gain deduction,
- mining exploration and development costs,
- reserves for losses on bad debts of financial institutions,
- depletion,
- incentive stock options,
- intangible drilling costs, and
- circulation and research and experimental expenditures.

Get **Form 6251** to see if you owe this tax.

Line 52

Tax From Recapture of Investment Credit

You may owe this tax if you disposed of investment credit property before the end of its useful life or recovery period.

See **Form 4255** for details. Enter any tax from Form 4255 on this line.

Line 53

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure the amount of social security tax on unreported tips, complete **Form 4137** and attach it to your Form 1040. Enter the tax on this line.

To determine the amount of railroad retirement tax on unreported tips, contact your nearest Railroad Retirement Board office. On line 53, enter the tax and on the dotted line next to it, write "RRTA."

Be sure all your tips are reported as income on Form 1040, line 7.

You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Line 54

Tax on an IRA

If you owe tax on any early distributions from your IRA, any excess contributions made to your IRA, or any excess accumulations in your IRA account, use **Form 5329** to figure the tax. Enter the total tax on line 54.

Line 55

Total Tax

Add lines 49 through 54. Put the total on line 55. Also include on line 55 any of the four taxes listed below that apply.

Section 72 Penalty Taxes. If you are or were a 5% owner of a business and you received income from a premature or excessive distribution from a Keogh plan or trust, you may have to pay a penalty tax of 10% of the distribution. Get **Publication 560** for more details. Or, if you were an employee, you made any deductible contributions to your employer's qualified plan, and received income from a premature distribution, you may have to pay a penalty tax.

If you received certain premature distributions from an annuity contract, you may have to pay a 5% penalty tax on the taxable part of the distribution. Get **Publication 575** for more details.

Include the amount of the penalty in your total for line 55. On the dotted line next to this total, write "Section 72 penalty" and show the amount.

Advance Earned Income Credit (EIC) Payments. If you received advance EIC payments (AEIC), the amount will be shown on your Form W-2. Include the amount of these payments in your total for line 55. On the dotted line next to this total, write "AEIC" and show the amount.

***Note:** The amount of earned income credit that you can actually take will be figured on the worksheet shown on page 16 and entered on line 58.*

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement tax (RRTA) due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Include that amount in the total on line 55. On the dotted line next to this total, write "Uncollected Tax on Tips" and show the amount.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them of control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Include the amount of this tax in your total for line 55. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any excess payment should be identified in Box 16 of Form W-2. Include the amount from Box 16 in the total for line 55.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 55.

Payments

Line 56

Total Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P,** and **1099-R.** Enter the total on line 56. The amount of Federal income tax withheld should be shown in Box 9 of Form W-2, Box 2 of Form W-2G, Box 11 of Form W-2P, and Box 4 of Form 1099-R.

If line 56 includes amounts withheld as shown on Form 1099-R, on the dotted line to the left of line 56, write "Form 1099-R."

Backup Withholding. If you were subject to backup withholding on dividends, interest income, or other income you received during 1986, include the amount withheld in the total on line 56. This should be shown in Box 4 on the 1099 forms. On the dotted line next to this total, write "Form 1099

Line 57

1986 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1986. Include any overpayment from your 1985 return that you applied to your 1986 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died.

Divorced Taxpayers. If you were divorced during 1986 and you made joint estimated tax payments with your former spouse, please enter your former spouse's social security number in the block provided on the front of Form 1040. In the upper right corner of the return, above the social security numbers, write "DIV" (divorced).

If you were divorced and remarried in 1986, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number.

Name Change. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040 explaining all the payments you and your spouse made in 1986, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 58

Earned Income Credit

The earned income credit helps many taxpayers who have a child and have earned incomes and adjusted gross incomes of less than $11,000. If you can take the credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can be as much as $550.

***Note:** If you received advance earned income credit payments from your employer(s), see the instructions for line 55 on page 15 for information on how to report these payments.*

Who Can Take the Credit?

You may be able to take the credit if you meet **ALL** 5 of the following conditions.

1. You received **wages**, salaries, tips, or other earned income (see "Earned income includes" on this page).
2. The amount on Form 1040, line 33, is less than $11,000.
3. You have a child (see "Definition of Child" that begins on this page) who lived with you in the same principal residence in the U.S. for more than 6 months during 1986 (for all of 1986 if your filing status is qualifying widow(er) with dependent child).
4. You do not file **Form 2555,** Foreign Earned Income, or **Form 4563,** Exclusion of Income From Sources in United States Possessions.
5. Your filing status is married filing joint return, qualifying widow(er) with dependent child, or head of household. In addition, special rules apply to each of these three filing statuses.

Married Filing Joint Return. Your child must be claimed as your dependent on Form 1040, line 6c. **Exception.** If your spouse is not your child's parent and the child's other parent (the noncustodial parent) claimed him or her as a dependent under the rules explained on page 7 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed above. If you can take the credit because of this exception, you must enter the child's name on the dotted line to the left of line 58.

Qualifying Widow(er) With Dependent Child. Your child must be claimed as your dependent on Form 1040, line 6c.

Head of Household. If your child was **unmarried** for 1986, you must enter that child's name in the space provided on Form 1040, line 4 (or line 6c if you claimed that child as a dependent).

If your child was **married** for 1986, this child must be claimed as your dependent on Form 1040, line 6c. **Exception.** If this child's other parent claimed him or her as a dependent under the rules explained on page 7 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed above. If you can take the credit because of this exception, you must enter the child's name on the dotted line to the left of line 58 unless you entered the child's name in the space provided on Form 1040, line 4.

If you meet all of the conditions listed above, use the worksheet below to figure the credit. Otherwise, do not fill in the worksheet. Instead, enter "NO" on Form 1040, line 58, and go on to line 59.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 13.

You may be able to receive advance payments of the credit by filing **Form W-5** with your employer.

For more details about the credit, get **Publication 596,** Earned Income Credit.

Earned income includes:

- **Wages,** salaries, and tips.
- Earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), line 9.
- Anything else of value (money, goods, or services) you get from your employer for services you performed regardless of whether it is taxable.

***Note:** The following are examples of amounts received from your employer that must be included on line 1 of the worksheet:—*

a. Housing allowance (or rental value of a parsonage) for members of the clergy.

b. **Meals** and lodging.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, veterans benefits, workers' compensation, unemployment compensation (insurance), or income exempt from self-employment tax as a result of the filing and approval of **Form 4029** (relating to members of certain religious faiths).

Definition of Child. In general, for purposes of this credit, your **child** includes:

- Your son or daughter.
- Your stepchild or adopted child.

If your filing status is **married filing a joint return** or **qualifying widow(er) with dependent child,** your child also includes a child placed with you by an authorized placement agency for adoption by you, or a

Earned Income Credit Worksheet (Keep for your records.)

To figure your credit, follow the instructions below. If you checked Filing Status box 1 or 3, you cannot take the credit. Do not complete this worksheet.

1.	Enter the amount from Form 1040, line 7, plus any other compensation from your employer, regardless of whether it is taxable. **Note:** *If you received nontaxable compensation from your employer, enter "NE" on the dotted line to the left of line 58 even if you cannot take the credit.*	$
2.	If you were self-employed, enter the amount, even if a loss, from Schedule SE, line 9. However, if you use the optional method to figure your self-employment tax, see **Publication 596** for more information before entering an amount on line 2. If you have self-employment income that you reported on line 1 above, do not include it here.	
3.	**Earned income.** Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If line 3 is zero or less, stop here; you **cannot** take the credit. If line 3 is more than zero, go on to line 4.	
4.	**Adjusted gross income.** Enter the amount from Form 1040, line 33. If the amount on line 4 is $11,000 or more, stop here; you **cannot** take the credit. Otherwise, go on to line 5 or line 6, whichever applies.	
5.	If line 4 above is **$6,500 or less,** use the amount from line 3 above to find your credit in the table on page 48. Enter the credit here and on Form 1040, line 58.	
6.	If line 4 above is **over $6,500:**	
	a. Find the amount from line 3 above in the table on page 48 and enter the credit for that amount here.	$ _____
	b. Find the amount from line 4 above in the table and enter the credit for that amount here.	$ _____
	c. Enter the amount from line **6a** or **6b,** whichever is **smaller,** here and on Form 1040, line 58.	$

foster child (any other child, such as your grandchild, whom you cared for as your own child for the whole year)

If your filing status is **head of household**, your child also includes a descendent of your son, daughter, or adopted child

If your child was born, or died, in 1986 and your home was your child's home during the part of 1986 that he or she was alive, your child is considered to have lived with you for more than 6 months or, if applicable, for all of 1986

Note: *The earned income credit must be reduced by the alternative minimum tax (Form 1040, line 51). If you owe this tax, subtract it from the amount on line 5 or line 6c of the worksheet on page 16, whichever applies, and enter the result (but not less than zero) on Form 1040, line 58.*

Line 59

Amount Paid With Form 4868 (Extension of Time To File)

If you filed **Form 4868** to get an extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with **Forms 2688** or **2350**.

Line 60

Excess Social Security Tax and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1986 who together paid you more than $42,000 in wages, too much social security tax and railroad retirement tax (RRTA) may have been withheld from your wages. If so, you may be able to take a credit against your income tax.

If you are filing a joint return, you must figure the credit separately for yourself and your spouse. Complete the worksheet below to see if you can take the credit.

If you worked for two or more railroad employers, or if you had both RRTA tax and social security tax withheld from your wages, get **Publication 505**, Tax Withholding and Estimated Tax, for information on how to figure your excess RRTA or social security tax. **Do not** use the worksheet below.

Caution: *If you were a Federal, state, or local government employee who paid only the 1.45% medicare (hospital insurance benefits) tax on your government wages, do not include on line 1 of the worksheet below the medicare tax withheld from your government wages. See the instructions for line 62 to see if you can take a credit for excess medicare tax paid.*

Worksheet (Keep for your records)

1. Add all social security tax withheld (but not more than $3,003 for each employer).* Enter the total here	
2. Enter any uncollected social security tax on tips included in the total on Form 1040, line 55	
3. Add lines 1 and 2	
4. Less	−3,003
5. Subtract line 4 from line 3. Enter this amount on line 60	

**Note:* *If any one employer withheld more than $3,003, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Line 61

Credit for Federal Tax on Gasoline and Special Fuels

If you can take a credit for tax on gasoline and special fuels used in your business (including qualified taxicabs), or for certain diesel-powered cars, vans, and light trucks, **please attach Form 4136.** Enter the credit on line 61.

Line 62

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439.** Be sure to attach Copy B of Form 2439. Also include on line 62 any Excess Medicare Tax Credit.

Excess Medicare Tax Credit. If you were a Federal, state, or local government employee whose wages in 1986 were subject **only** to the 1.45% medicare (hospital insurance benefits) tax and you had other social security or RRTA wages that when added to your government wages total more than $42,000, too much medicare tax may have been withheld. If so, you may take a credit against your income tax. Use **Form 4469,** Computation of Excess Medicare Tax Credit, to figure the credit. Include the amount of the credit in your total for line 62. On the dotted line next to this total, write "Form 4469" and show the amount.

Line 63

Total Payments

Add lines 56 through 62 and enter the total on line 63. Also include on line 63 any Overpaid Windfall Profit Tax.

Overpaid Windfall Profit Tax. You may be allowed a credit for overpaid windfall profit tax (OWPT). Use **Form 6249** to figure the overpayment. Include this amount in your total for line 63. Attach Forms 6249 and 6248 to Form 1040. On the dotted line next to this total, write "OWPT" and show the amount.

Refund or Amount You Owe

Line 64

Amount Overpaid (If line 63 is larger than line 55)

Subtract line 55 from line 63. You can choose to have all, or part, of this amount refunded to you (line 65). The remainder, if any, can be applied to your estimated tax for 1987 (line 66). If line 64 is under $1, we will send a refund only on written request.

Income Tax Withholding for 1987. As explained on page 2 under **Form W-4 Filing Requirement,** if you are an employee, you must file a new 1987 **Form W-4,** Employee's Withholding Allowance Certificate, with your employer before October 1, 1987. However, because of the numerous tax law changes effective for 1987, you may want to file the new Form W-4 with your employer early in 1987 to make sure you have the right amount of income tax withheld from your 1987 wages.

For more details, get **Publication 505,** Tax Withholding and Estimated Tax.

Line 65

Applied to 1987 Estimated Tax

Subtract line 65 from line 64. This is the amount that will be applied to your estimated tax for 1987. Enter this amount on line 66.

We will apply amounts to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

Line 67

Amount You Owe (If line 55 is larger than line 63)

Subtract line 63 from line 55 and enter the result. This is the amount you owe.

Attach your check or money order for the full amount when you file. **Do not** include any estimated tax payment in your check or money order. If line 67 is under $1, you do not have to pay.

Income Tax Withholding for 1987. As explained on page 2 under **Form W-4 Filing Requirement,** if you are an employee, you must file a new 1987 **Form W-4,** Employee's Withholding Allowance Certificate, with your employer before October 1, 1987. However, because of the numerous tax law changes effective for 1987, you may want to file the new Form W-4 with your employer early in 1987 to make sure you have the right amount of income tax withheld from your 1987 wages. Otherwise, you may have to make estimated tax payments for 1987. See **Should You Make Estimated Tax Payments for 1987?** on page 18.

For more details, get **Publication 505,** Tax Withholding and Estimated Tax.

Underpayment of Estimated Tax

If line 67 is $500 or more and more than 20% of the tax shown on your return, or you underpaid your 1986 estimated tax liability for any payment period, you may owe a penalty. **Form 2210 (Form 2210F** for farmers and fishermen) is used to see if you owe a penalty and to figure the amount of the penalty. You may figure the penalty yourself by completing and attaching that form to Form 1040, or IRS will figure the penalty for you and send you a bill. But, if you use the annualized income installment method to figure your required payments, you must complete and attach Form 2210 to Form 1040 even if you do not owe the penalty.

Note: *The penalty may be waived under certain conditions. Get* ***Publication 505,*** *Tax Withholding and Estimated Tax, for details.*

If you underpaid your 1986 income tax you will **not** owe a penalty or have to complete Form 2210 (or Form 2210F), if:

1. you had no tax liability for 1985,
2. you were a U.S. citizen or resident for all of 1985, and
3. your 1985 tax return was for a tax year of 12 full months.

If you attach Form 2210 or 2210F, be sure to check the box below line 67 and enter the amount of any penalty you owe in the space provided. If you owe tax, add the penalty amount to the tax due and show the total on line 67. Or, if you are due a refund, subtract the penalty amount from the overpayment you show on line 64.

Should You Make Estimated Tax Payments for 1987?

In general, you do not have to make estimated tax payments if you expect that your 1987 Form 1040 will show a tax refund, or a tax balance due IRS of less than $500. If your total estimated tax (including any alternative minimum tax) is $500 or more, please get **Form 1040-ES.** It contains a worksheet that you can use to see if you have to make estimated tax payments.

Sign Your Return

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return. Be sure to date your return and show your occupation in the space provided. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 19.

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but **does not charge you, should not sign.**

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return ***MUST:***

- *Sign it by hand in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)*
- *Give you a copy of your return in addition to the copy to be filed with IRS.*

Tax return preparers should be familiar with their responsibilities. They should get **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Section 4

General Information

This section contains general information about items such as amending your tax return and how long to keep tax records.

Penalties and Interest

Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, gross valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty as of the due date of the return (including extensions) to the date of payment.

Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax due on your return, whichever is less.

Late Payment of Tax. Generally, the penalty for not paying tax when due is ½ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25%. The penalty applies to any unpaid tax shown on the return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in* ***Amount You Owe*** *on line 67.*

Penalty for Frivolous Return. In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one which does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any alteration or striking out of the preprinted language above the space provided for your signature.

Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud. Get **Publication 17** for details on some of these penalties.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS Service Center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Publication 552.**

Requesting a Copy of Your Tax Return. If you need a copy of your tax return or tax account information, use **Form 4506,** Request for Copy of Tax Form or Tax Account Information. Generally, there is a charge for these requests; see Form 4506.

Where To File

If an addressed envelope came with your return, please use it. If you do not have one or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. No street address is needed.

If you are located in ▼	Use this address ▼
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255
Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Arkansas, Indiana, North Carolina, Tennessee, Virginia	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation, Agana, GU 96910
Puerto Rico (or if excluding income under section 933), Virgin Islands: Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands: Permanent residents	V.I. Bureau of Internal Revenue, P.O. Box 3186, St. Thomas, VI 00801
Foreign country: U.S. citizens and those filing Form 2555 or Form 4563, even if you have an A.P.O. or F.P.O. address	Philadelphia, PA 19255
A.P.O. or F.P.O. address of:	Miami, FL Atlanta, GA 31101 New York, NY Holtsville, NY 00501 San Francisco, CA Fresno, CA 93888 Seattle, WA Ogden, UT 84201

Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in **Publication 1167** for acceptable privately designed and printed substitute tax forms. You can get Publication 1167 by writing to:

Forms Distribution Center
P.O. Box 25866
Richmond, VA 23260

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X,** Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

Note: *If your Federal return is changed for any reason, it may affect your state income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your state tax agency for more information.*

Tax Help Videotape

A videotape of line-by-line instructions for completing your return is available in either English or Spanish at participating libraries or you can buy or rent the tape at some videotape outlets.

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Free help is available in most communities to lower income, elderly, handicapped, and non-English speaking individuals in preparing Form 1040EZ, Form 1040A, and the basic Form 1040. Call the toll-free telephone number for your area for the location of the volunteer assistance site near you.

Death of Taxpayer

If the taxpayer died before filing a return for 1986, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space at the top of the return. Also write **"DECEASED"** across the top of the tax return.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1986 and you did not remarry in 1986, you can file a joint return. You can also file a joint return if your spouse died in 1987 before filing a 1986 return. A joint return should show your spouse's 1986 income before death and your income for all of 1986. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due the deceased must file **Form 1310,** Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

For more details, see **Tele-Tax Information** in the index (topic no. 128) or get **Publication 559,** Tax Information for Survivors, Executors, and Administrators.

Section 5

Instructions for Schedules to Form 1040

Instructions for Schedule A
Itemized Deductions

A Change You Should Note

Loss of Deposits in Insolvent Financial Institutions. If you had money in a financial institution that you lost because of the insolvency or bankruptcy of the institution, you may be able to deduct your lost deposits. For details, get the 1986 **Form 4684,** Casualties and Thefts, and its instructions.

Purpose of Schedule

Some taxpayers must itemize their deductions and some should itemize because they will save money. See **You MUST Itemize Deductions** and **You Choose To Itemize** on pages 13 and 14.

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, and other miscellaneous expenses. You may also deduct certain casualty and theft losses. These deductions are explained below.

Lines 1 through 5

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 33.

You may deduct only that part of your medical and dental expenses that is more than 5% of your adjusted gross income on Form 1040, line 33.

You should include all amounts you paid during 1986 (including amounts you paid for hospital, medical, and extra medicare (**Medicare B**) insurance), but **do not** include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer. Get **Publication 502** for information on insurance reimbursements. If you received a reimbursement of prior year medical or dental expenses in 1986, see the instructions for Form 1040, line 22. **Do not** reduce your 1986 expenses by this amount.

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained on page 7 for **Children of Divorced or Separated Parents.**
- Any person that you could have claimed as a dependent on your return if that person had not received $1,080 or more of gross income or had not filed a joint return.

Example.—You provided more than half of your mother's support but may not claim her as a dependent because she received $1,080 of wages during 1986. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Note: *On line 2c, list the medical expense and the amount of the expense. Enter one total in the total amount column on line 2c.*

Examples of Medical and Dental Payments You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Medicines and drugs that required a prescription, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. Do not include more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care, or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You MAY NOT Deduct

You may not deduct the following:

- The basic cost of medicare insurance (Medicare A).

Note: *If you are 65 or over and not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.*

- Life insurance or income protection policies.
- The 1.45% medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the medicare tax paid as part of social security self-employment tax.

- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit, get **Form 2441.**)
- Illegal operations or drugs.
- Medicines or drugs you bought without a prescription.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Publication 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons.

Lines 6 through 10

Taxes You Paid

Taxes You MAY Deduct

State and local income taxes (line 6). Include on this line state and local income taxes that were withheld from your salary and any estimated payments made. Also include payments you made in 1986 on a tax for a prior year. **Do not** reduce your deduction by either of the following amounts.

- any state and local income tax refund (or credit) you expect to receive for 1986, or
- any refund of (or credit for) prior-year state and local income taxes you actually received in 1986 (see the instructions for Form 1040, line 10).

Real estate taxes (line 7). Include taxes that you paid on property you own that was not used for business. **Publication 530,** Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments, explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

General sales taxes (line 8). The Optional State Sales Tax Tables (see index) show how much you may deduct for your income and family size if you did not keep detailed records. You may add to the sales tax table amount the general sales tax you paid if you bought:

- A car, motorcycle, motor home, or truck. (**Note:** Texas charges a higher motor vehicle sales or use tax than it does for other items. Figure how much you would have paid at the general sales tax rate and enter only that amount on line 8b.)
- A boat, plane, home (including mobile or prefabricated), or materials to build a new home if:

  a. the tax rate was the same as the general sales tax rate, and

  b. your sales receipt or contract shows how much tax was imposed on you and paid by you.

If you kept records that show you paid more state sales tax than the tables list, you may deduct the larger amount on line 8a. Separately show the sales tax you paid on any motor vehicle you bought in 1986 on line 8b. Include state or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

If you use the **sales tax tables,** count all available income. This includes the amount on Form 1040, line 33, plus most amounts you received that are not taxed and the deduction for a married couple when both work (Form 1040, line 30). The instructions at the top of the first page of the tables give steps to help you figure your deduction.

Personal property taxes and other taxes (line 9). If you had any deductible tax not listed on Schedule A, lines 6 through 8b (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 9.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please get **Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Taxes You MAY NOT Deduct

- Federal income tax.
- Social security tax.
- Railroad retirement tax (RRTA).
- Federal excise tax on transportation, telephone, gasoline, etc.
- Customs duties.
- Federal estate and gift taxes. (However, see **Miscellaneous Deductions** on page 22.)
- Windfall profit tax. (Use Schedules C or E of Form 1040 to deduct this tax.)
- Certain state and local taxes, including:

  a. Tax on gasoline.

  b. Car inspection fees.

  c. Tax on liquor, beer, wine, cigarettes, and tobacco.

  d. Assessments for sidewalks or other improvements to your property.

  e. Taxes paid for your business or profession. (Use Schedules C, E, or F of Form 1040 to deduct business taxes.)

  f. Tax you paid for someone else.

  g. License fees (marriage, driver's, dog, hunting, etc.).

  h. Per capita (head) tax.

Lines 11a through 14

Interest You Paid

Include interest you paid on nonbusiness items only.

In general, a cash basis taxpayer who in 1986 paid interest that includes amounts that apply to any period after 1986 may deduct only the amount that applies for 1986.

Note: *If, at the end of your tax year, you have a loan in existence whose term is in excess of 5 years and the loan agreement in any way refers to the "Rule of 78's," get **Publication 545,** Interest Expense, for information on how to figure the amount of interest you may deduct on the loan.*

Interest You MAY Deduct

Home mortgage interest (lines 11a and 11b). If you paid $600 or more of interest on your home mortgage, the recipient of this interest will generally send you a **Form 1098,** Mortgage Interest Statement, or similar statement, showing the total interest received during 1986. You should receive this statement by February 2, 1987. However, if you paid "points" (including loan origination fees), they will not be shown on this statement. Get Publication 545 to see if the points qualify as interest. If they do, report them on line 13. **Do not** include them on line 11a.

- **Line 11a.** Report mortgage interest you paid directly, or indirectly, to financial institutions on line 11a. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, or similar statement, attach a statement to your return showing the name and address of the person who received the form. In the far left margin, next to line 11a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, get Publication 545 to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" next to line 11a.

Note: *If you are claiming the Mortgage Interest Credit (see instructions for Form 1040, line 44), subtract the amount shown on line 3 of **Form 8396** from the total interest you paid on your home mortgage and enter the result on line 11a.*

- **Line 11b.** Report mortgage interest you paid to individuals on line 11b. Also list this person's name and address in the space provided.

Credit card and charge account interest you paid (line 12). Include on this line interest you paid on bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc. Also include interest you paid on revolving charge accounts. Deduct any finance charge a retail store added if the charges are based on your monthly unpaid balance.

Other interest you paid (line 13). List each payee's name and the amount. Enter one total in the total amount column on line 13. Include on this line interest you paid on—

- Your personal note for money you borrowed from a bank, a credit union, or another person.
- Loans on life insurance if you paid the interest in cash and you report on the cash basis.
- Installment contracts on personal property, such as cars.
- Taxes you paid late. Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under **Taxes You Paid** (lines 6 through 9 of this schedule).

• **Loans on investment property.** Report only the nonbusiness part of interest on these loans. (If your total investment interest on investment debts created after 1969 is more than $10,000 ($5,000 if married filing a separate return), you may have to complete **Form 4952,** Investment Interest Expense Deduction, to figure your correct deduction. Also get **Publication 550,** Investment Income and Expenses.)

Note: *Special rules apply to interest expense imputed on below-market loans. Get* ***Publication 545.***

Interest You MAY NOT Deduct

Do not include interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency. Also do not include the interest you paid for—

• **Tax-exempt income.** This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax-exempt.

• **A loan on life insurance** if the interest is added to the loan and you report on the cash basis.

• **A debt to buy a single-premium life** insurance or endowment contract.

• **Any kind of business transaction.** (Use Schedules C, E, or F of Form 1040 to deduct business interest expenses.)

Get Publication 545 for more details.

Lines 15a through 18

Contributions You Made

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

• Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.

• Fraternal orders, if the gifts will be used for the purposes listed above.

• Veterans' and certain cultural groups.

• Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.

• **Federal, state, and local governments** if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received.

If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct

Contributions may be in cash (**keep cancelled checks, receipts, or other reliable** written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Get Publication 526, Charitable Contributions, for special rules that apply if:

• your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 33,

• your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 33, or

• you gave gifts of property that increased in value or gave gifts of the use of property.

You MAY NOT Deduct As Contributions

• Political contributions (but see instructions for Form 1040, line 43).

• Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.

• Cost of raffle, bingo, or lottery tickets.

• Cost of tuition.

• The value of your time or services.

• Value of blood given to a blood bank.

• The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).

• Gifts to:

a. Individuals.

b. Foreign organizations.

c. Groups that are run for personal profit.

d. Groups whose purpose is to lobby for changes in the laws.

e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. You should also keep reliable written records for each gift of property that include the following information:

a. How you figured the property's value at the time you gave it. (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)

b. The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

c. How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.

d. Any conditions attached to the gift.

Note: *If your total deduction for gifts of property is over $500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(h), your records should contain additional information. Get Publication 526 for details.*

Line 15a. Enter your total cash contributions (including out-of-pocket expenses) **except** those that total $3,000 or more to any one organization.

Line 15b. Enter cash contributions totaling $3,000 or more to any one organization. Show to whom and how much you gave in the space provided.

Line 16. Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total deduction for gifts of property is more than $500, you must complete and attach **Form 8283,** Noncash Charitable Contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

Tax Tip: *If the amount on Schedule A, line 18 (total contributions), is more than the amount on line 26, and you do not have to itemize your deductions (see "You MUST Itemize Deductions" on page 13), your Federal income tax may be less if you do not itemize. Instead, you should report your contributions on Form 1040, lines 34a through 34d, as appropriate. See the instructions for these lines on page 14.*

Line 19

Casualty and Theft Loss

Use line 19 to report casualty or theft losses of property that is not trade, business, or rent or royalty property. Complete and attach **Form 4684,** Casualties and Thefts, or a similar statement to figure your loss. Enter on line 19 of Schedule A the amount of loss from Form 4684.

Losses You MAY Deduct

You may be able to deduct all or part of **each** loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

You may deduct nonbusiness casualty or theft losses only to the extent that—

a. the amount of **EACH** separate casualty or theft loss is more than $100, and

b. the total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040, line 33.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You MAY NOT Deduct

• Money or property misplaced or lost.

• Breakage of china, glassware, furniture, and similar items under normal conditions.

• Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 22 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, **get Publication 547,** Nonbusiness Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Lines 20 through 23

Miscellaneous Deductions

Expenses You MAY Deduct

Business Use of Home. You may not deduct expenses for business use of part of your home unless you use that part exclusively and on a regular basis in your work and for the convenience of your employer.

See **Tele-Tax Information** in the index (topic no. 237) or **Publication 587,** Business Use of Your Home, for details.

Educational Expenses. Generally, you may deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or job. In general, you may also deduct the cost of maintaining or improving skills you must have in your present position.

You may not deduct some educational expenses. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job.

For more details, see **Tele-Tax Information** in the index (topic no. 238) or **Publication 508,** Educational Expenses.

Employee Expenses. Examples of the expenses you may deduct are:

• Safety equipment, small tools, and supplies you needed for your job.

• Uniforms your employer said you must have, and which you may not usually wear away from work.

• Protective clothing, required in your work, such as hard hats and safety shoes and glasses.

• Physical examinations your employer said you must have.

• Dues to professional organizations and chambers of commerce.

• Subscriptions to professional journals.

• Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.

Note: *If your employer reimbursed you directly or indirectly for any educational expenses or employee expenses, you must use* ***Form 2106,*** *Employee Business Expenses, Part I, line 5, to deduct those expenses up to the amount you were reimbursed. Also use Form 2106 to deduct any related travel or transportation expenses.*

Expenses of Producing Income. You may deduct what you paid to produce or collect taxable income or to manage or protect property held for producing income. Examples of these expenses are:

• Safe deposit box rental.

• Certain legal and accounting fees.

• Clerical help and office rent.

• Custodial (e.g., trust account) fees.

Qualified Adoption Expenses. You may be able to deduct up to $1,500 of **qualified adoption expenses** you paid for each child you adopt with "special needs."

A child with special needs is one who the **state determines,** in connection with the Social Security Act adoption assistance program, cannot or should not be returned to his or her parental home, has a specific factor or condition that makes the child difficult to place, and has been the subject of an unsuccessful placement effort.

Gambling Losses. You may deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 22.

Income in Respect of a Decedent. You may deduct the Federal estate tax attributable to income in respect of a decedent that is ordinary income.

Expenses You MAY NOT Deduct

• Political contributions (but see instructions for Form 1040, line 43).

• Personal legal expenses.

• Lost or misplaced cash or property.

• Expenses for meals during regular or extra work hours.

• The cost of entertaining friends.

• Expenses of going to or from work.

• Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.

• Fines and penalties.

• Expenses of producing tax-exempt income.

For more details, get **Publication 529,** Miscellaneous Deductions.

Note: *On line 22 list the type and amount of each expense. Enter one total in the total amount column on line 22.*

Line 26

Summary of Itemized Deductions

If line 24 is more than line 25, subtract line 25 from line 24 and enter the result on Schedule A, line 26, and on Form 1040, line 34a.

Note: *You will receive the full benefit of your itemized deductions because the zero bracket amount you entered for your filing status on line 25 has been built into the Tax Table and Tax Rate Schedules for you.*

If line 25 is more than line 24, and you are required to itemize your deductions (as explained on page 13 under **You MUST Itemize Deductions**), write "TC" on Schedule A, line 26.

Instructions for Schedule B Interest and Dividend Income

Purpose of Schedule

Use Schedule B if you are filing Form 1040 and you:

• Had more than $400 in interest,

• Had more than $400 in dividends,

• Had a foreign account, or

• Were a grantor of, or transferor to, a foreign trust.

Part III of the schedule asks you to answer questions about foreign accounts and trusts.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8, on page 8.

The payer should send you a **Form 1099-INT** or **Form 1099-OID,** if applicable, showing interest you must report. If the total interest from all payers is over $400, fill in Parts I and III of this schedule.

Line 1

Report on line 1 the interest portion of any payments you received from an individual based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount.

Line 2

Report on line 2 **ALL** interest (other than seller-financed mortgage interest) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Nominees. Include on line 2 interest you received, as a nominee, that actually belongs to another person. Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, write "Nominee Distribution" and show the interest amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 3.

Note: *If you received interest as a nominee, give the actual owner a* ***Form 1099-INT.***

Accrued Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules above under **Nominees** to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Tax-Exempt Interest. If you received a **Form 1099-INT** for tax-exempt interest, such as from municipal bonds, report the interest on line 2. Several lines above line 3, put a subtotal of all interest listed on line 2. Below this subtotal, write "Tax-Exempt Interest" and show the amount. Subtract this amount from the subtotal and enter the result on line 3.

Original Issue Discount (OID). If you are reporting OID in an amount less than the amount shown on **Form 1099-OID,** follow the rules above under **Nominees** or **Accrued Interest,** whichever applies, to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 9a, on page 8.

Tax Tip: *Be sure to read the instructions on page 9 for line 9b to see if you can exclude any part of your dividend income.*

The payer should send you a **Form 1099-DIV** showing dividends you must report. If the total dividends from all payers are over $400, fill in Parts II and III of this schedule.

Line 4

Report on line 4 **ALL** of your dividend income. Be sure to include capital gain and nontaxable distributions on this line. They will be deducted on lines 6 and 7. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, **Publication 564,** Mutual Fund Distributions, may be helpful.

List the payer's name and show the amount of income. **Caution:** If securities are held by a brokerage firm (in "street name"), list the name of the brokerage firm that is shown on **Form 1099-DIV** as the payer.

Nominees. Include on line 4 all dividends you received, including dividends you received, as a nominee, that actually belong to another person, even if you later distributed some or all of this income to others. Several lines above line 5, put a subtotal of all dividends listed on line 4. Below this subtotal, write "Nominee Distribution" and show the amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 5.

Note: *If you received dividends as a nominee for the actual owner, give that person a* ***Form 1099-DIV.***

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than $400 of interest or dividend income, if you had a foreign financial account, or if you were the grantor of, or transferor to, a foreign trust.

Line 10

Check the **Yes** box if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

Exception: Check **No** if any of the following applies to you:

- The combined value of the accounts was $10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account is in your employer's name; **AND** you do not have a personal financial interest in the account.
- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get **Form TD F 90-22.1** to see if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If you checked **Yes** to question 10, file Form TD F 90-22.1 by **June 30, 1987,** with the **Department of the Treasury** at the address shown on that form. Form TD F 90-22.1 is not a tax return, so do **not** attach it to Form 1040.

You can get Form TD F 90-22.1 by writing to the IRS Forms Distribution Center for your state, as shown on the inside back cover.

If you checked **Yes** to question 10, write the name of the foreign country or countries in the space provided. Attach a separate sheet if you need more space.

Instructions for Schedule D

Capital Gains and Losses and Reconciliation of Forms 1099-B

Purpose of Schedule

Use Schedule D (Form 1040) to report a sale or exchange of a capital asset and to reconcile Forms 1099-P to your tax return. See the **Capital Asset** section for the definition of capital assets. Schedule D is also used to report gains from involuntary conversions of capital assets that are not held in connection with a trade or business or a transaction entered into for profit.

Use **Form 4797,** Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions, instead of Schedule D to report the following:

- The sale or exchange of trade or business property, depreciable and amortizable property, oil, gas, and geothermal property, and section 126 property.
- The involuntary conversion (other than by casualty or theft) of trade or business property and capital assets held in connection with a trade or business or a transaction entered into for profit.
- Disposition of other noncapital assets not mentioned above.

Use **Form 4684,** Casualties and Thefts, to report involuntary conversions of property due to casualty or theft.

Get **Publication 544,** Sales and Other Dispositions of Assets, and **Publication 550,** Investment Income and Expenses, for more information.

Form 1099-A, Information Return for Acquisition or Abandonment of Secured Property. If you receive a Form 1099-A from your lender, you may have gain or loss to report because of the acquisition or abandonment. Get Publication 544 for more information.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, and stocks and bonds are capital assets.

A capital asset is any property held by a taxpayer **except** the following:

a. Stock in trade or other property included in inventory or held for sale to customers.

b. Accounts or notes receivable you received for services in the ordinary course of your trade or business, or from the sale of any property described in **a**, or for services you performed as an employee.

c. Depreciable property used in your trade or business even if it was fully depreciated.

d. Real property (real estate) used in your trade or business.

e. A copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property:

1. created by your personal efforts, or
2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or
3. that you received from a taxpayer mentioned in **1** or **2**, in a way (such as by gift) that entitled you to the basis of the previous owner.

f. U.S. Government publications (including the Congressional Record) that you received from the government, other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way, if your basis is determined by reference to the previous owner.

Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than 6 months. The holding period for short-term capital gains and losses is 6 months or less.

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds on an exchange or over the counter market.

Generally, a nonbusiness bad debt must be treated as a short-term capital loss.

Capital Losses

The capital loss that can be applied against other income after offsetting capital gains is limited to $3,000 ($1,500 if married filing a separate return).

Unused capital losses are carried over to later years to the extent allowed until fully used. If any of your capital losses are from before 1970, use **Form 4798,** Carryover of Pre-1970 Capital Losses, Part II, to figure your capital loss carryovers. If all of your capital losses were after 1969, use Schedule D, Part IV, to figure your capital loss carryovers.

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property, directly or indirectly, between any of the following:

- Members of a family.

- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a corporation if the same taxpayers own directly or indirectly more than 50 percent of the capital interest, or profits interest, in the partnership or corporation.

If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get the instructions for **Form 6198,** Computation of Deductible Loss From an Activity Described in Section 465(c).

Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan. (Get **Form 4972,** Special 10-Year Averaging Method, or **Form 5544,** Multiple Recipient Special 10-Year Averaging Method. Also, get **Publication 575,** Pension and Annuity Income.)
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary.
- Gain on disposition of stock in an Interest Charge Domestic International Sales Corporation.
- Gain on the sale or exchange of stock in certain foreign corporations.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.
- Gain on the sale of qualified reinvested dividends from a qualified public utility. Get **Publication 550** for details.
- Transfer of appreciated property to a political organization.
- Loss on sale, exchange, or worthlessness of small business stock (section 1244 stock).
- In general, no gain or loss is recognized on a transfer of property from an individual to a spouse or a former spouse (but only if the transfer is incident to the divorce). Get **Publication 504,** Tax Information for Divorced or Separated Individuals.

Losses from the disposition of wetlands and highly erodible croplands converted to agricultural use (other than livestock grazing) after 3/1/86 and disposed of in taxable years ending after that date are reported on Schedule D, but gains are reported on Form 4797.

For rules on nontaxable exchanges, gifts of property, and inherited property, get **Publication 544.**

For treatment by shareholders of corporate liquidations, get **Publication 542,** Tax Information on Corporations.

For information on mutual fund transactions, get **Publication 564,** Mutual Fund Distributions.

Exchange of Like-Kind Property

Report the exchange of "like-kind" property even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." For exceptions, get Publication 544.

Identify in column (a) the property you disposed of. Enter the date you acquired it in column (b), and the date you exchanged it in column (c). Write "like-kind exchange" in column (d). Enter the cost or other basis in column (e). Enter zero in columns (f) and (g).

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible.

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Get **Publication 541,** Tax Information on Partnerships.

Long-Term Capital Gains From Regulated Investment Companies

Include in income as a long-term capital gain the amount(s) shown on **Form 2439** that represents your share of the undistributed capital gains of a regulated investment company. Enter the tax paid by the company as shown on Form 2439 on line 62 of Form 1040. Add to the basis of your stock, the excess of the amount included in income over the credit.

Sale of Residence

Use **Form 2119,** Sale or Exchange of Principal Residence, to report a gain from the sale of your principal residence whether or not you bought another one. For more information, get **Publication 523,** Tax Information on Selling Your Home.

Installment Sales

If you sold property at a gain, and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use **Form 6252,** Computation of Installment Sale Income. Also use Form 6252 if you received a payment in **1986** for a sale made in an earlier year on the installment method.

If you are a cash basis taxpayer and you are using the installment method for a year-end stock sale when payment will be received in the following year, report the sale on Schedule D in the year you receive the payment.

If you want to elect out of the installment method, report the sale as follows on a timely filed return (including extensions):

(1) Report the full amount of the sale on Schedule D.

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part V. If you received more than one, enter the amounts separately in the spaces in Part V.

Investment Interest Expense Deduction Adjustment

If you have an entry on **Form 4952,** line 20, and Schedule D, line 19 (or Form 4798, Part I, line 8); part or all of line 20 of Form 4952 may be treated as ordinary income.

Determine the ordinary income for Schedule D or Form 4798 as follows:

Step 1—In a separate computation, reduce line 20 of Form 4952 to the amount by which line 15 of that form is more than the sum of lines 16 through 19 of that form.

Step 2—Ordinary income will be the smaller of step 1 or line 19 of Schedule D (or line 8, Part I of Form 4798).

Enter the ordinary income in the margin to the right of line 19 of Schedule D (or line 8, Part I of Form 4798). Identify by writing next to it: "From Form 4952." Subtract the ordinary income from the gain on lines 18 and 19 of Schedule D (or lines 7 and 8, Part I of Form 4798). In addition, enter the ordinary gain on line 9, Part II of Form 4797. If you do not use Form 4797 for other transactions, enter it on Form 1040, line 15 and identify it in the margin as "From Form 4952."

Section 1256 Contracts and Straddles

Use **Form 6781** to report gains and losses from section 1256 contracts and straddles. Get Publication 550 for more information.

Specific Instructions Line1

Reconciliation of Forms 1099-B for Sales of Stocks, Bonds, etc.

Enter your total sales of stocks, bonds, etc., reported for **1986** by your broker to you on Form(s) 1099-B or on an equivalent substitute statement(s). If line 1 differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. There may be differences between line 1 and the total of lines 2b and 9b if you reported a Form 1099-B transaction in one year but did not receive a Form 1099-B until the following year. A difference would also occur if you received a Form 1099-B for an item that represents a return of capital.

Note: *If you attach your own schedule to show detail of gain or (loss), enter the total sales price of all Form 1099-B transactions included in your own schedule on lines 2b and 9b. Report the total gain and the total loss separately on lines 7 and 16.*

Column (d)

Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If

you sold stocks or bonds and your broker provided you with a Form 1099-B or similar statement that shows gross sales price, enter that amount in column (d). However, if the broker advised you that gross proceeds (gross sales price) less commissions and option premiums were reported to IRS, enter that net amount in column (d). If the net amount is entered in this column, do not include the commissions and option premiums in column (e).

Important: Be sure to add all sales price entries in column (d) on lines 2a and 9a and enter the totals on lines 2b and 9b.

Column (e)

Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift, in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cash cost as the basis. If you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits.

The basis of property acquired by gift generally is the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale such as broker's fee, commission, and option premium before making an entry in column (e), unless you reported net sales price in column (d).

For more information, get **Publication 551**, Basis of Assets.

Line 6

Short-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1985 Schedule D (Form 1040), line 30, or your 1985 Form 4798, Part II, line 20.

Line 15

Long-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1985 Schedule D (Form 1040), line 36, or your 1985 Form 4798, Part II, line 26.

Note: *If you used Form 4798 in 1985 and had an entry in Part II, line 17 or 23, use Form 4798 in 1986 instead of completing Schedule D, Parts III or IV.*

Line 23c

(or Form 4798, Part I, line 30c)

Taxable Income as Adjusted

Figure your taxable income, as adjusted, with a separate calculation. Do this in the following way.

a. Figure the amount from Form 1040, line 35, without regard to gains and losses from sales or exchanges of capital assets.

b. Subtract from the amount in **a** one of the following:

1. $2,480 if you are filing as single or head of household.
2. $3,670 if you are married filing a joint return or you are a qualifying widow(er) with a dependent child.
3. $1,835 if you are married filing a separate return.

Part VI

Reconciliation of Forms 1099-B For Bartering Transactions

This part will enable IRS to compare amounts of bartering income reported to you on Forms 1099-B with amounts you report on your tax return.

Instructions for Schedule E

Supplemental Income

Reminder

If you claim any expenses for use of an automobile or other "listed property" in a trade or business or for the production of income, you must complete the appropriate sections of Part III of **Form 4562**, Depreciation and Amortization. For more information, get **Publication 534**, Depreciation. If you claim the standard mileage allowance for your automobile instead of actual expenses, you also must complete Part III of Form 4562.

Purpose of Schedule

Use Schedule E to report income or (loss) from rents and royalties, partnerships, S corporations, and estates and trusts.

Note: *If you attach your own schedules to report income or (loss) from any of these sources, use the same format as the Schedule E. Enter separately on Schedule E the total of net income and the total of net loss for each part. **DO NOT** combine the total of net income with the total of net loss on the separate schedules.*

Filers of Forms 1041 and 1041S. Enter your employer identification number in the block labeled "Your social security number."

At-Risk Rules (Parts I and II)

If you have (1) a loss from any activity that you, your partnership, or S corporation engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule E.

Amounts for which you are not at risk are amounts such as the following.

1. nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity unless they are secured by property not used in the activity.
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement.
3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 168(e)(4), to a person (other than yourself) having such an interest, or
4. amounts contributed to the activity, or to your interest in the activity that is covered by
   - nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
   - loans from a person described in 3 above.

For more details, get **Publication 536**, Net Operating Losses and the At-Risk Limits.

The at-risk rules may apply to a member of a partnership or joint venture, a shareholder in an S corporation, or a lessor of certain property. Generally, the amount you have at risk limits the loss you can deduct for any tax year.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. See Form 6198 and the related instructions for more information.

If, in addition to the amount that you report on Schedule E, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

If you have amounts that are not at risk, get Form 6198 to determine the amount of deductible loss. If the loss is from Part I, Schedule E, enter the deductible amount from Form 6198 in the appropriate column(s) on line 21 of Schedule E. If the loss is from Part II, Schedule E, enter the deductible amount from Form 6198 in column (e) of Schedule E.

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

Part I

Rental and Royalty Income or (Loss)

Generally, you should use this part to report rental and royalty income. Report rents from property you own or control, including room and other space rentals. However, if you provided services to the renter, or if your business was selling real estate, report the income on **Schedule C (Form 1040)**. For more information on rental income and expenses, see **Tele-Tax Information** in the index (topic no. 143) or get **Publication 527**, Rental Property.

Report royalties from oil, gas, or mineral properties, copyrights, and patents. However, if you hold an operating oil, gas, or mineral interest, or are in business as a self-employed writer, inventor, artist, etc., report gross income and expenses on Schedule C (Form 1040).

If you use Part I to report rental and royalty income, enter your rental and royalty expenses for each property in the appropriate columns on lines 4 through 20.

If you have a loss from an activity, except the holding of real property (other than mineral property) placed in service before January 1, 1987, see the **At-Risk Rules** on page 25.

If you have more than three rental or royalty properties, complete and attach as many Schedules E as are needed to list the properties. Complete lines 1 and 2 for each property. However, fill in the "Totals" column for lines 3, 10, 18, 19, and 22 through 26 on only one Schedule E. The figures in the total column on that Schedule E should be the combined totals of all the schedules.

If you also need to use page 2 of Schedule E, use the same Schedule E that you used to enter the combined totals in Part I.

Rentals

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 3a. If you received services or property, instead of money, as rent, report its fair market value.

You can deduct an amount for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions.

Property subject to a net lease or held for investment purposes is considered investment property. Generally, the interest deduction on debts incurred to acquire such property is subject to limitations. If your total interest on investment debts created after 1969, including investment interest from all other sources, is more than $10,000 ($5,000 if married filing separately), see **Form 4952**, Investment Interest Expense Deduction.

Do not deduct the value of your own labor. Do not deduct capital investments or improvements; instead, add these to the basis of the property for depreciation. Example: A landlord can deduct the cost of minor repairs, but not the cost of major improvements, such as a new roof.

Renting Out Part of Your Home. If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part.

Renting Out a Home That Is Also Used for Personal Purposes. Generally, you may deduct only those expenses which apply to the time that the home or other dwelling unit is rented out. A dwelling unit includes a house, apartment, condominium, mobile home, boat, or similar property. Also, if you or your family used the property as a residence, certain expenses cannot be more than the gross rental income. Only interest, taxes, and casualty losses do not have to be limited. Generally, a home or other dwelling unit is used as a residence if you or your family used it for personal purposes for more than the greater of:

a. 14 days, or

b. 10% of the number of days during 1986 that the property was actually rented out at a fair rental.

A day of personal use is any day, or part of a day, that the unit is used—

- for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- by a member of your family or family member of any other person who has an interest in it, unless the unit is rented at fair rental as that person's residence, or
- by anyone under an arrangement that lets you use some other dwelling unit, or
- by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on **Schedule A (Form 1040)**. You do not have to report the rental income.

Family includes **ONLY** brothers, sisters, half brothers, half sisters, spouse, ancestors (parents, grandparents, etc.), and lineal descendants (children, grandchildren, etc.).

Mortgage Interest Paid to Financial Institutions. If you have a mortgage on your rental property, enter on line 10 the interest you paid for 1986 to financial institutions. Be sure to fill in the "Totals" column.

If you paid $600 or more of interest on this mortgage, you should receive a **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1986. You should receive this statement by February 2, 1987. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 10, write "see attached."

If you paid more mortgage interest than is shown on your Form 1098, or similar statement, get **Publication 545**, Interest Expense, to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 10.

Royalties

Report on line 3b royalties from oil, gas, or mineral properties, copyrights, and patents, not including operating oil, gas, or mineral interests. If you are in business as a self-employed writer, inventor, artist, etc., report income and expenses on Schedule C (Form 1040). Under certain circumstances, you can treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For more details, get **Publication 544**, Sales and Other Dispositions of Assets.

If state or local taxes were withheld from oil or gas payments you received, enter on line 3b the gross amount of royalty. Include the taxes withheld by the producer on line 14, but **DO NOT** include on line 14 the amount of windfall profit taxes actually withheld in 1986. Instead, enter that amount in Part III, line 34.

Enter your depletion deduction on line 19. Get **Publication 535**, Business Expenses, for information on depletion.

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on **Form 4835**, Farm Rental Income and Expenses, if you meet these two tests:

a. You received rental income that was based on crops or livestock produced by the tenant.

b. You did not manage or operate the farm to any great extent.

Note: *For purposes of the estimated tax penalty, income received from your share of crops and rental based on farm production is considered income from farming.*

If you use Form 4835, enter on line 25 of Schedule E the net farm rental profit or (loss) from Form 4835, line 34.

Certified Historic Structures

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get Publication 535 for more details.

Expenses To Rehabilitate Low-Income Housing

You may amortize over a 60-month period up to $20,000 of the costs you paid or incurred in 1986 to rehabilitate qualified low-income housing. Get Publication 535 for more details.

Deduction For Removal of Barriers to the Handicapped and Elderly

You can deduct up to $35,000 of the costs you paid or incurred in 1986 to remove architectural or transportation barriers to the handicapped and the elderly. Get Publication 535 for more details.

Part II

Income or (Loss) From Partnerships, S Corporations, Estates, or Trusts

If you need additional space in Part II to list your income or losses, attach a continuation sheet. However, be sure to complete columns (e) and (f) of line 27 or line 31, as appropriate.

Tax Shelter Registration Number. If you are claiming or reporting any deduction, loss, credit, or other tax benefit, or reporting income from an interest purchased or otherwise acquired in a tax shelter, you must attach **Form 8271**, Investor Reporting of Tax Shelter Registration Number, to your return to report the tax shelter registration number as well as other information about the tax shelter. There is a penalty if you fail to report this number on your tax return.

Tax Preference Items. If you are liable for the alternative minimum tax and you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of tax preference items from these entities on **Form 6251**, Alternative Minimum Tax Computation. For more information, get Form 6251.

Partnerships

If you are a member of a partnership or joint venture, include in this part your share of the partnership income (whether you

received it or not) or net loss for the partnership tax year that ends during the year covered by your return. You should receive a **Schedule K-1 (Form 1065)** from the partnership. Do not attach that schedule to your return. Keep it for your records.

If you have other partnership items, such as depletion, show each item on a separate line in Part II. If you claimed a credit for Federal tax on gasoline or other fuels on your 1985 Form 1040 (based on information received from the partnership), enter as income in column (f) the amount of the credit claimed in 1985. If you have unreimbursed partnership expenses, show them on a separate line and enter the amounts in column (e). If you are claiming a deduction for recovery property (section 179), enter the amount of this deduction on line 29 of Schedule E.

Note: *The amount of your section 179 deduction from* ***ALL*** *sources cannot be more than $5,000 ($2,500 if you are married filing a separate return).*

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on **Schedule SE (Form 1040)**. Enter the amount from Schedule K-1 (Form 1065), line 13a, on Schedule SE, Part I, after you have reduced this amount by any section 179 deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas partnerships. Get **Publication 535,** Business Expenses, to determine the allowable depletion deduction.

If you have a loss, see the **At-Risk Rules** on page 25.

For more information for this part, please see your copy of Schedule K-1 (Form 1065) and **Partner's Instructions for Schedule K-1 (Form 1065).** If you did not receive a copy of these instructions with your Schedule K-1 (Form 1065), you can get a copy at most IRS offices.

If you are treating partnership items on your tax return differently from the way the partnership reported the items on its return, you may have to file **Form 8082,** Notice of Inconsistent Treatment or Amended Return.

If you have losses or deductions from a prior year that you could not deduct in the prior year because of the at-risk rules or basis rules, do not combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E. Instead, report on separate lines on Schedule E prior year amounts and current year amounts.

S Corporations

If you are a shareholder of an S corporation, you should receive a **Schedule K-1 (Form 1120S)** from the S corporation. Do not attach the schedule to your return. Keep it for your records. Report your share of the income (whether you received it or not) or net loss of the corporation on Schedule E in the same manner as the income or loss of a partnership. Your share of the net income is **NOT** subject to self-employment tax. Also, distributions of prior-year accumulated earnings and profits of all S corporations are dividends and are reported on **Schedule B (Form 1040).** For more information, get **Publication 589,** Tax Information on S Corporations.

If you have a loss, see the **At-Risk Rules** on page 25.

If you are treating S corporation items on your tax return differently from the way the S corporation reported the items on its return, you may have to file Form 8082.

If you are claiming a deduction for recovery property (section 179), enter the amount of this deduction on line 29 of Schedule E.

Note: *The amount of your section 179 deduction from* ***ALL*** *sources cannot be more than $5,000 ($2,500 if you are married filing a separate return).*

If you are a shareholder claiming a deduction for your share of the S corporation's net operating loss, attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your deduction is limited to that amount. However, any amount not allowed this year may be carried forward and deducted in a later year in which you have sufficient basis in the stock and debt. See Publication 589 for information on adjustments to basis.

Estates and Trusts

If you are a beneficiary of an estate or trust, you should receive a **Schedule K-1 (Form 1041)** from the fiduciary. Do not attach the schedule to your return. Keep it for your records. Report your taxable part of the income (whether you received it or not) as follows.

- Dividends qualifying for the dividend exclusion—enter on **Schedule B (Form 1040),** Part II, line 4. If total dividends received from all sources are $400 or less, enter the total on Form 1040, line 9a. Do not list them on Schedule B.
- Capital gains—**Schedule D (Form 1040).**
- Other taxable income less deductions—Schedule E, Part II.

For more information, contact the fiduciary or see Schedule K-1 (Form 1041).

If you have a loss, see the **At-Risk Rules** on page 25.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1986, the trust had a U.S. beneficiary. For more information, get **Form 3520-A,** Annual Return of Foreign Trust With U.S. Beneficiaries.

Part III

Caution: *If you are a member of a partnership, the amounts entered on lines 33 and 34 may affect your net earnings from self-employment on Schedule SE.*

Line 33

In certain situations, you must report as income on line 33 the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule E, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for **Form 6249,** Computation of Overpaid Windfall Profit Tax.

Line 34

If you are a cash method taxpayer, deduct on line 34 the amount of windfall profit tax actually withheld in 1986.

Part IV

Line 37

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8; Schedule K-1 (Form 1065), line 13b; Schedule K-1 (Form 1120S), line 19; and Schedule K-1 (Form 1041), line 10.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests.

1. your gross farming or fishing income for 1985 or 1986 is at least two-thirds of your gross income, and
2. you file your 1986 tax return and pay the tax due by March 2, 1987.

Part V

You can deduct an amount each year for property you buy to use in your business or hold to produce investment income. The deduction does not apply to land and personal use property.

You may use Part V to figure depreciation only on property placed in service before 1981. Its use is optional. However, if you placed any property in service after 1980, you must get **Form 4562,** Depreciation and Amortization, to report your depreciation on all property. Enter on Part I, line 19, the amount from Form 4562, Part I.

For more information on depreciation, see the instructions for Form 4562 and **Publication 534,** Depreciation.

Instructions for Schedule C

Profit or (Loss) From Business or Profession

Changes You Should Note

Investment Credit. The credit was generally repealed for property placed in service after 1985, but it is still available for business energy property expenditures to rehabilitate older buildings, and certain transition property contracted for before 1986. To see if you qualify to take this credit for 1986, get **Form 3468,** Computation of Investment Credit.

Tax Shelter. If you are claiming or reporting any deduction, loss, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in a tax shelter required to be registered, you must check the box on line I, and you must file **Form 8271,** Investor Reporting of Tax Shelter Registration Number. For additional information, see Form 8271 and its instructions.

Purpose of Schedule

If you operated a business or practiced a profession as a sole proprietorship, complete **Schedule C.** If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use **Schedule F.**

Filers of Forms 1041 and 1041S. You are not required to complete the block labeled "Social security number"; however, be sure to enter your employer identification number on line D.

Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on **Schedule A.**

Report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property on **Form 4797.**

Use **Form 4684,** Casualties and Thefts, to report a casualty or theft involving trade or business, or income-producing property.

You must pay social security self-employment tax on income from any trade or business unless you are specifically excepted. Please see **Schedule SE.**

For more details about business income and expenses, get **Publication 334,** Tax Guide for Small Business. It contains more information regarding the line items discussed below.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, annuities, and pensions, or for sales by you of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale. For more information, get instructions for **Form W-3,** Transmittal of Income and Tax Statements; Instructions for Forms 1099, 1096, 5498, 1096, and W-2G; and **Publication 916,** Information Returns.

In addition, if you receive cash of more than $10,000 in one or more related transactions in the course of your trade or business, you may have to file **Form 8300.** Get the instructions for Form 8300 for details.

Line A

Describe the business or professional activity that provided your principal source of sales or receipts included on Schedule C, Part I, line 1a. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), then also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line B

Enter on this line the code that identifies your principal business or professional activity. See the instructions on page 2 of Schedule C for details.

Line C

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Line D

You don't need an employer ID number unless you had a Keogh plan or were required to file an employment, excise, fiduciary, or alcohol, tobacco, and firearms tax return.

Line E

Your inventories can be valued at

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the Commissioner of Internal Revenue.

Line F

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method, accrual method, or in some cases, the completed contract or percentage-of-completion method. The method used must clearly reflect your income.

To change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Internal Revenue Service. In general, file **Form 3115** within the first 180 days of the tax year in which you want to make the change.

If you use the **cash method,** show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the **accrual method,** report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules also apply that determine the timing of deductions based on economic performance. Get **Publication 538,** Accounting Periods and Methods, for details.

Line H

Within certain limits, you may deduct business expenses that apply to a part of your home **only** if that part is exclusively used on a regular basis:

1. as your principal place of business for any of your trades or businesses; or
2. as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business; or
3. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the **only** fixed location of your trade or business. The space must be used on a regular basis to store inventory held for use in your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you also use the same space for nonbusiness purposes.

Please get **Publication 587,** Business Use of Your Home, for more information.

Line I

See **Changes You Should Note** on this page for information on when you must complete this line.

Part I

Income (Lines 1 through 5)

Line 1a

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on **Form(s) 1099-MISC.**

Installment Sales. If you use the installment method of reporting sales income, please attach a schedule showing separately for 1986 and the three preceding years: gross sales; cost of goods sold; gross profit; percentage of gross profits to gross sales; amounts collected; and gross profits on amounts collected.

Line 1b

You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 4a

In certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule C, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for **Form 6249**, Computation of Overpaid Windfall Profit Tax.

Line 4b

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest (such as on notes and accounts receivable), the amount of credit for Federal tax on gasoline or other fuels claimed on your 1985 Form 1040, and other kinds of miscellaneous income from the business or profession.

If you have listed property that you placed in service after June 18, 1984, and the business use percentage decreased to 50% or less in 1986, report on this line any recapture of excess depreciation, including the section 179 expense deduction. Use **Form 4797** to figure the amounts to be recaptured.

Part II

Deductions (Lines 6 through 31)

Line 7

Caution: *Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income.*

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it unless you use the bad debt reserve method. For more information, please get **Publication 548**, Deduction for Bad Debts.

Line 9

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You must use actual costs if you use more than one vehicle in your business. If you deduct actual costs, show depreciation on line 12.

Note: *If you claim any car expenses (actual costs or the standard mileage rate), you must complete Part III of* ***Form 4562****, Depreciation and Amortization.*

The standard mileage rate is figured at 21 cents a mile up to 15,000 miles, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile.

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate.

If you place a car or truck in service after December 31, 1980, and take the standard mileage rate, you are treated as having elected to exclude this vehicle from ACRS.

For more details, get **Publication 917**, Business Use of a Car.

Note: *If you use certain highway trucks, truck trailers, tractor trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get* ***Form 2290****, Heavy Vehicle Use Tax Return, to see if you are subject to the tax.*

Line 11

Enter your total deduction for depletion on this line. If you claim a deduction for timber depletion, please attach **Form T**. Get **Publication 535** for details.

Line 12

You can deduct an amount each year for assets you buy to use in your business or hold to produce investment income. The deduction for depreciation does not apply to stock in trade, inventories, land, and personal assets. You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1986 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on **Form 4562**, Depreciation and Amortization. Enter on line 12 of Schedule C the amount from Form 4562, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. The allowable amounts are further limited if your business use is less than 100%. In general, for cars or other "listed property" placed in service in 1986, you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of Form 4562. See the instructions for Form 4562 and **Publication 534**, Depreciation, for details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, for which you claimed a depreciation deduction, and the business use percentage of the property decreased to 50% or less during 1986, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

Investment Credit. The credit has generally been repealed for property placed in service after 1985. See **Changes You Should Note** on page 28.

If you dispose of investment credit property before the end of its class life or life years, the business use percentage decreases, or the use of the property otherwise changes so that it no longer qualifies, you may have to refigure the credit. Get **Form 4255**, Recapture of Investment Credit, for details.

Line 14

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 21. Also include here contributions to insurance, health, and welfare programs.

Lines 17a and 17b

If you paid interest that applies to future years, deduct for 1986 only the part that applies to 1986.

If you have a mortgage on real property used in your business, enter on line 17a the interest you paid for 1986 to financial institutions. If you paid $600 or more of interest on this mortgage, you should receive a **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1986. You should receive this statement by February 2, 1987. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 17a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, get **Publication 545**, Interest Expense, to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 17a.

Don't take a deduction on Schedule C for interest you paid or accrued on debts from buying or carrying investment property. This interest is generally deducted on **Schedule A**. For more information, get **Publication 550**, Investment Income and Expenses.

Line 21

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1040, line 27, instead of on Schedule C, line 21.

Generally, you are required to file one of the following forms if you maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not it qualified under the Internal Revenue Code and whether or not you claim a deduction for the current tax year.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C, 5500-R, or 5500EZ.—Complete the applicable form for each plan with less than 100 participants.

The Employee Retirement Income Security Act of 1974 imposes a penalty for failure to timely file these forms.

For more information, **get Publication 560**, Self-Employed Retirement Plans.

Line 23

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to the depreciation reserve, depending on how depreciation is charged on your books. However, see the instructions for line 12 of Schedule C.

Line 25

You can deduct the following taxes

- Real estate and personal property taxes on business assets.
- Social security taxes you paid to match what you were required to withhold from your employees' wages and any Federal unemployment tax paid.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- Other taxes not related to your business.

Line 26

You can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business.

However, you cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for any activity that is usually considered entertainment, amusement, or recreation.

Note: *You may be able to deduct the expense if the amount is treated as compensation and reported on* ***Form W-2*** *for an employee or* ***Form 1099-MISC*** *for an independent contractor. (****Get Publication 463*** *for more details.)*

Foreign Conventions. Generally, you cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area or Jamaica as within it. (For the definition of "North American area," see Publication 463.) You may also be able to deduct expenses for attending conventions held in certain Caribbean countries but only if the country met certain requirements. See Publication 463 for more details. These rules apply to employers as well as to employees.

You may be able to deduct up to $2,000 of the cost of business expenses for attending conventions or similar meetings on a U.S. cruise ship. On a joint return, you may be able to deduct up to $4,000 if each spouse attended the meeting and each spouse had at least $2,000 of qualifying expenses. You must attach two separate statements to your tax return to support the deduction. See Publication 463 for details on what these statements must include and for specific rules on deducting expenses for attending meetings on U.S. cruise ships.

Line 28

Enter on line 28a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include any amount paid to yourself.

Caution: *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses that you claimed elsewhere.*

Enter on line 28b the jobs credit from **Form 5884**. Get **Publication 906**, Jobs and Research Credits, for information on the jobs credit.

Line 29

If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 29 the amount of windfall profit tax actually withheld in 1986. **Form 6248**, Annual Information Return of Windfall Profit Tax—1986, shows the amount of windfall profit tax actually withheld in 1986.

Line 30

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses.

Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions is treated as a deduction allocable to this activity in 1986.

Amortization. Use **Form 4562** to figure your amortization deduction. Include on line 30 of Schedule C the amount from Form 4562, Part II.

You may amortize over a 60-month period:

- The cost of pollution control facilities.
- Certain expenditures made before January 1, 1982, for child care facilities.
- Up to $20,000 of the costs to rehabilitate qualified low-income housing.

You may amortize over a period of at least 60 months:

- Amounts paid for research, experiments, and a trademark or trade name.
- Certain business startup costs.

You may also amortize up to $10,000 of qualified forestation and reforestation costs over an 84-month period.

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get **Publication 535**, Business Expenses, for more information.

You can deduct up to $35,000 of the costs you paid or incurred in 1986 to remove architectural or transportation barriers to the handicapped and the elderly. See Publication 535 for more details.

If you lease business property, you may be able to either depreciate or amortize your leasehold improvement costs. See Publication 535 for details.

Real property construction period interest and taxes generally cannot be fully deducted in the year you paid or incurred them. You must capitalize and amortize amounts not allowed as a deduction in the current year. This rule does not apply to low-income housing.

However, you do not have to capitalize and amortize real property interest and taxes attributable to real property that you do not reasonably expect to use in your trade or business or in an activity engaged in for profit.

For more details, get Publication 535.

Line 32

If you have a loss, go on to line 33 before entering your loss on line 32. Enter the net profit or deductible loss here and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 5, or Form 1041S, line 5).

Line 33

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, except the holding of real property (other than mineral property), are limited to the amount they have at risk in the business.

If you have (1) a loss from any activity that you engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule C.

Answer the question on line 33 "**YES**" if you have amounts for which you are not at risk for this business, such as the following:

1. nonrecourse loans used to finance your business, to acquire property used in your business, or to acquire your interest in the business unless they are secured by property not used in your business; or
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or
3. loans from someone who has an interest in your business, other than as a creditor, or who is related, under section 168(e)(4), to a person (other than yourself) having such an interest; or
4. amounts contributed to your business, or to your interest in the business that is covered by:
   - nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or
   - loans from a person described in 3 above.

If you do not have any of these kinds of amounts for which you are not at risk in this business, answer the question "**NO**" and enter your loss on line 32.

If you answered "**YES**" to the question on line 33, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 32. If your at-risk amount is zero or less, enter zero on line 32. Be sure to attach Form 6198 to your return. If you answer "Yes" to the question on line 33 and you fail to attach Form 6198, processing of your tax return may be delayed.

If, in addition to the amount that you report on Schedule C, you dispose of an asset used in an activity to which the at-risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

Any loss from this business not allowed for 1986 is treated as a deduction allocable to the business in 1987.

For more details, get **Publication 536**, Net Operating Losses and the At-Risk Limits. Also see the instructions for Form 6198.

Part III

Cost of Goods Sold and/or Operations

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an

income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year. Cost of Operations (Inventories Not an Income-Producing Factor). If the amount on line 2, Part I, includes the cost of operations, complete lines 1 through 8 of Part III as appropriate.

Instructions for Schedule SE Social Security Self-Employment Tax

Purpose of Schedule

Schedule SE is used by self-employed persons and employees of electing churches and qualified church-controlled organizations to figure any self-employment tax due. The Social Security Administration uses the information provided on Schedule SE to figure benefits for self-employed people under the social security program. Social security self-employment tax applies regardless of your age, and even if you are receiving social security benefits.

Who Must Use Schedule SE

You must use Schedule SE if:

- you were self-employed and your net earnings from self-employment were $400 or more ($100 or more if you were an employee of an electing church or church-controlled organization); and
- you did not have wages (including tips), other than medicare qualified government wages of $42,000 or more that were subject to social security tax or railroad retirement tax.

Who Can Use Schedule SE

You can use Schedule SE if you will benefit from using the optional method of figuring self-employment earnings.

The optional method may benefit you if:

- your self-employment earnings are less than $400 and Form 1040, line 33, is less than $11,000 and you want to claim the earned income credit; or
- you had a loss from self-employment and you need to increase your net earnings from self-employment to qualify to claim the child and dependent care credit.

The optional method may give you credit toward your social security coverage even though you have a loss or low income from self-employment. However, the optional method may require you to pay self-employment tax when none would otherwise be required.

Fiscal Year Filers

If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins. The tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change is not prorated.

More Than One Business

If you farmed and had at least one other trade or business or had two or more trades or businesses, your net earnings from self-employment are the combined net earnings from all your businesses. If you had a loss in one trade or business, it reduces the income from another. Figure the combined self-employment tax on Schedule SE.

Joint Returns

Show the name of the spouse with self-employment income on Schedule SE. If both spouses have self-employment income, each must file a separate Schedule SE. Include the total profits or losses from all businesses on Form 1040, as appropriate. Then enter the combined self-employment tax on Form 1040, line 50.

Community Income

If any of the income from a business, including farming, is community income, all the income from that business is considered self-employment earnings of the spouse who carried on the trade or business unless there is a husband and wife partnership. The identity of the spouse who carried on the trade or business is determined by the facts in each situation.

If you and your spouse file separate returns, attach Schedule SE to the return of the spouse with the self-employment income. Also attach Schedule(s) C and/or Schedule(s) F. Community income included on these schedules must be divided, for income tax purposes, on the basis of the community property laws.

Partnerships

When figuring your combined net earnings from self-employment, include your share of partnership income or loss attributable to a trade or business and any guaranteed payments you received from your partnership. However, if you are a limited partner, only guaranteed payments are included in self-employment income. Line 13a of Schedule K-1 (Form 1065) should show your net earnings or loss from self-employment.

If your partnership is engaged solely in the operation of a group investment program, earnings from the operation are not self-employment earnings for either the general or limited partner.

If a husband and wife are both partners in a partnership, each spouse is subject to self-employment tax on his or her own share of partnership income. Each spouse must file a Schedule SE for self-employment tax purposes and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes.

Self-employment income belongs to the person who is the member of the partnership and cannot be treated as self-employment income by the nonmember spouse. This applies even in community property states.

If a partner in a continuing partnership dies, that member's distributive share of partnership ordinary income or loss for the year must be included in the partner's net earnings from self-employment. Get **Publication 533**, Self-Employment Tax, if your partnership has a fiscal year.

Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from them, you are an independent contractor and a self-employed person rather than an employee. Report your net earnings for income tax on Schedule F and for self-employment tax on Schedule SE. For more information, get **Publication 225**, Farmer's Tax Guide.

Exemption From Self-Employment Tax for Members of the Clergy and Certain Religious Orders and Sects

Income you received as a duly ordained, commissioned, or licensed minister of a church, a member of a religious order (but only if you are not under a vow of poverty), or a Christian Science practitioner is subject to social security self-employment tax unless you filed **Form 4361** and received IRS approval to exempt your ministerial earnings. If you have received IRS approval and have no other income subject to self-employment tax, write "Exempt—Form 4361" on Form 1040, line 50. If you filed Form 4361, but have $400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

***Note:** If you have ever filed Form 2031 to elect social security coverage on your ministerial earnings, you cannot apply for exemption now.*

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can request exemption from self-employment tax by filing **Form 4029**. If you filed Form 4029 and have received IRS approval, do not file Schedule SE. Instead, write "Exempt— Form 4029" on Form 1040, line 50.

Coverage for Overseas Missionaries

If you are a U.S. citizen and a minister (except a Christian Science practitioner) or a member of a religious order serving outside the United States, you may figure earnings from self-employment as if you were serving in the United States (provided you have not elected exemption from coverage). For more information, get **Publication 517**, Social Security for Members of the Clergy and Religious Workers.

Employees of Churches and Qualified Church-Controlled Organizations

***Note:** If you are a minister or member of a religious order, do not use the following instructions.*

If you were employed by a church or a qualified church-controlled organization that has in effect a certificate electing exemption from employer social security taxes, and you received **wages of $100 or more** from any one church or church-controlled organization, you may be subject to self-employment tax. Use the following instructions unless you also have medicare qualified government wages and must use the worksheet for line 12b.

If your W-2 **wages** from a church or a qualified church-controlled organization are the only self-employment income you have, enter your church **wages** on line 12c. Skip lines 1 through 9 and start with line 11a. Enter on line 13, the smaller of line 12a or line 12c. Figure your self-employment tax on the amount on line 13.

If you have other self-employment income (loss) on line 9, use the following instructions.

a. Enter your church **wages** on line 12c.

b. If line 9 is less than $400, enter the smaller of line 12a or line 12c on line 13.

c. If line 9 is $400 or more, add lines 9 and 12c and enter the smaller of that total or line 12a on line 13.

Figure your self-employment tax on the amount on line 13.

***Note:** Do not file Form 4029 with respect to wages you receive from a church or a church-controlled organization that has elected to treat its employees as self-employed.*

U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to the self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands, by a foreign government, and in certain cases, by a wholly-owned instrumentality of a foreign government or by an international organization organized under the International Organizations Immunities Act. Report income from this employment on Schedule SE, line 2. If you are employed by a foreign government or an international organization in a country other than those listed, you are not subject to self-employment tax.

Self-Employed U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, you are generally subject to the self-employment tax. Your foreign earnings from self-employment may be reduced by the deduction for certain foreign housing costs. However, you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Specific Instructions

Name of Self-Employed Person. Enter the name and social security number of the self-employed person as it appears on that person's social security card.

Part I
Regular Computation of Net Earnings From Self-Employment

Generally, net earnings from self-employment is your net profit from a sole proprietorship operated by you and your distributions from a partnership. (See **Partnerships** on page 31 for when to include your share of partnership income or loss.) See the instructions below for income included or not included in net earnings from self-employment.

Lines 1 and 2.—Exclude from lines 1 and 2 any income or expense not included in figuring net earnings from self-employment and attach an explanation. If you are a partner, reduce lines 1 and 2 for any expense deduction for recovery property (section 179) claimed, oil or gas depletion, or unreimbursed partnership expenses.

If you deposited earnings into a capital construction fund established under the Merchant Marine Act of 1936, get **Publication 595**, Tax Guide for Commercial Fishermen, for more information.

If you are a duly ordained minister who is an employee of a church and you are subject to self-employment tax, the unreimbursed business expenses that you incurred in performing your services as an employee of the church (allowed only as an itemized deduction) are deducted from your self-employment earnings in figuring your self-employment tax. For more information, get **Publication 517**.

Income Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained under **Other Income Included in Net Earnings From Self-Employment**) or as an employee or employee representative under the railroad retirement system.
- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.
- Real estate rentals, unless received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or sharefarmer. You should report these amounts on Schedule E, Part I.
- Dividends on shares of stock and interest on bonds, notes, etc., unless received in the course of your trade or business as a dealer in stocks or securities.
- Gain or loss from:

  a. the sale or exchange of a capital asset,

  b. the sale, exchange, involuntary conversion, or other disposition of property, unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business, or

  c. certain transactions in timber, coal, or domestic iron ore.
- Net operating losses from other years.

Other Income Included in Net Earnings From Self-Employment

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.)
- Cash or payment in kind received from the Department of Agriculture for participation in a land diversion program.
- Payments for the use of rooms or other space, such as rooms in hotels, boarding houses, tourist camps, or homes, when substantial services are also provided.
- Payments you received for space in parking lots, trailer parks, warehouses, or storage garages.
- Income you received from the retail sale of newspapers and magazines if you are 18 or over and kept the profits.
- Income you received as a crew member of a fishing vessel with a crew of normally less than 10 individuals. Get Publication 595 for more information.
- Fees you received for services performed as a state or local government employee provided you are compensated solely on a fee basis and the position is not covered under a Federal-State social security coverage agreement.
- Interest received in the course of any trade or business, such as interest on notes or accounts receivable.
- The rental value of a home or an allowance for a home furnished you if you are a minister or a member of a religious order.
- The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.
- Director's fees and other payments received by a director of a corporation for services as a director.
- Recapture amounts under sections 179 and 280F that were included in gross income because the business use of the property used in your trade or business dropped to 50% or less. (Do not include amounts recaptured on the disposition of property.) See **Form 4797**, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions, for more information.
- Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries if the fees relate to active participation in the operation of the estate's trade or business or the facts indicate the fiduciary manages an estate that requires extensive management activities over a long period of time.

Option and commodity dealers engaged in trading section 1256 contracts, see section 1402(i) to determine net earnings from self-employment.

Part II
Optional Method for Figuring Net Earnings From Farm Self-Employment

If your gross farm income for the year was not more than $2,400, you can report two-thirds of your gross farm income instead of your actual net earnings from farming.

If your gross farm income was more than $2,400, and your net farm profits were less than $1,600, you can report $1,600 on line 4.

This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year. You may change the method (from actual net to optional net or the reverse) after you file your return.

For a farm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

Optional Method for Figuring Net Earnings From Nonfarm Self-Employment

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your net nonfarm profits are less than $1,600 and less than two-thirds of your gross nonfarm income.

You may use this optional method if you are regularly self-employed or regularly a member of a partnership. You meet this requirement if you had actual net earnings from self-employment of $400 or more (including your distributive share of the income or loss from any partnership of which you are a member) from nonfarm and farm businesses in at least 2 of the 3 years immediately before the year for which you use the nonfarm option.

You may report on line 6 two-thirds of your gross nonfarm income (but not more than $1,600) as your net earnings from self-employment, but you may not report less than your actual net earnings from nonfarm self-employment.

For a nonfarm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

Using Both Optional Methods

If you have both nonfarm and farm income, you may only use the nonfarm optional method if your actual net earnings from nonfarm self-employment are less than $1,600. In all combined cases, your net nonfarm profits must be less than two-thirds of your gross nonfarm income to use the nonfarm option. If you qualify to use both options, you may report less than actual total net earnings from farm and nonfarm income, but not less than actual net earnings from nonfarm self-employment alone.

If you use both options to figure net earnings from self-employment, your maximum combined total of net earnings from self-employment for any tax year cannot be more than $1,600.

Line 4

Enter the smaller of:

- two-thirds (⅔) of the total gross income from all Schedules F, line 12, and Schedules K-1 (Form 1065), line 13b, or
- $1,600.

Line 6

Enter the smallest of:

- $1,600, or
- two-thirds (⅔) of the total gross income from all Schedules C, line 5, plus your distributive share of gross income from all nonfarm partnerships, Schedules K-1 (Form 1065), line 13c, or
- the amount on line 5 if you also had farm income and elect the farm optional method.

Part III

Computation of Social Security Self-Employment Tax

Line 11a

Medicare Qualified Government Employment

If you are a Federal, state, or local government employee and your wages are subject **ONLY** to the 1.45% medicare (hospital insurance benefits) tax, do **NOT** include this pay as social security wages on Schedule SE, line 11a. Social security wages entered on line 11a are wages subject to the old-age, survivors, and disability insurance tax in addition to the medicare tax.

Note: *Also see the instructions for Form 1040, line 62, to see if you should file* ***Form 4669****, Computation of Excess Medicare Tax Credit.*

Figure your self-employment tax using the rate below line 13 if you do not have to use the worksheet below. Do not reduce the rate by the medicare tax rate.

If your pay is subject **ONLY** to the 1.45% medicare tax and your combined wages and self-employment earnings (lines 9, 11c, 12b, and 12c, of Schedule SE) are in excess of $42,000, skip line 13 and complete the worksheet below. Medicare qualified government wages are your Federal, state, or local government wages that are subject **ONLY** to the 1.45% medicare tax.

Worksheet—Line 12b (Keep for your records.)

1. Enter total of lines 9 and 12c from Schedule SE	1	
2. Enter line 12a from Schedule SE	2	
3. Enter your medicare qualified government wages here and on line 12b of Schedule SE	3	
4. Subtract line 3 from line 2. (If zero or less, enter -0-.)	4	
5. Multiply the smaller of line 1 or line 2 by .0981	5	
6. Multiply the smaller of line 1 or line 4 by .0249	6	
7. Add lines 5 and 6. Enter on line 14 of Schedule SE and on Form 1040, line 50	7	

Instructions for Schedule F
Farm Income and Expenses

Changes You Should Note

The Tax Reform Act of 1986 made a number of changes that may affect your 1986 return. Some of the changes for 1986 include new rules for:

- Certain expenses of replanting a grove, orchard, or vineyard due to casualty.
- Certain prepaid expenses of cash basis taxpayers.
- Depreciation.
- Discharge of indebtedness.
- Investment credit.
- Land clearing expenses.

The following change affects only fiscal year taxpayers:

- Soil and water conservation expenses.

For information on these changes, get **Publication 225**, Farmer's Tax Guide.

New Checkboxes. There are three new checkboxes on Schedule F for 1986. See the instructions for lines C, D, and 9.

Purpose of Schedule

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, 1041S, or 1065. Please get Publication 225 for additional information. It has samples of filled-in forms and schedules, and lists important dates that apply to farmers. You may also want to get **Publication 534**, Depreciation.

Filers of Forms 1041, 1041S, and 1065. Do not complete the block labeled "Social security number (SSN)," however, be sure to complete the block labeled "Employer ID number (NOT SSN)."

If you were required to make estimated tax payments in 1986 and you underpaid your estimated tax, you may be charged a penalty. However, you will not be charged a penalty if you meet the following tests.

1. your gross farming or fishing income for 1985 or 1986 is at least two-thirds of your gross income, and
2. you file your 1986 tax return and pay the tax due by March 2, 1987.

For more details, see Publication 225.

Do not report the following income on Schedule F:

- Rent you received that was based on farm production or crop shares if you did not materially participate in the operation or management of the farm. Report this income on **Form 4835** and **Schedule E (Form 1040)**. It is not subject to self-employment tax. For more details, see Publication 225.
- Rent from your pasture land that is based on a flat charge. Report this income in Part I of Schedule E. However, report on line 11 of Schedule F pasture income received from taking care of someone else's livestock.
- Sales, exchanges, or involuntary conversions (other than casualties or thefts) of certain trade or business property. Report this income on **Form 4797**.
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Report this income on Form 4797.

Use **Form 4684**, Casualties and Thefts, to report a casualty or theft involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes.

Information Returns

You may have to file information returns for wages paid to employees; certain payments of fees and other nonemployee compensation; interest, rents, royalties, annuities, and pensions; or for sales by you of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale. For more information, get the instructions for **Form W-3**, Transmittal of Income and Tax Statements; Instructions for Forms 1099, 1098, 5498, 1096, and W-2G; and **Publication 916**, Information Returns.

In addition, if you receive cash of more than $10,000 in one or more related transactions in the course of your farming business, you may have to file **Form 8300**. Get the instructions for Form 8300 for details.

Lines A and B

On line A, enter your principal crop or service for the current year.

On line B, enter one of the twelve major agricultural activity codes listed on page 2 of Schedule F. The code you select should represent the major farm activity from which you derive the largest amount of your income. **Field crop** pertains to the production of grains, such as wheat, rice, feed corn, soybeans, barley, rye, and lentils, and nongrains such as cotton, tobacco, sugar, and Irish potatoes. **Horticultural specialty** includes the cultivation of ornamental floriculture and nursery products such as plants, shrubbery, bulbs, flowers, seed, and sod, and food crops grown under cover such as tomatoes, mushrooms, rhubarb, and fruit. **Animal specialty** includes the raising of pets, laboratory animals, such as dogs, cats, bees, snakes, and fish in captivity, except fish hatcheries.

Line C

Under the **cash method**, you include all of your income in the year you actually get it. Generally, you deduct your expenses when you pay them. If you use the cash method, check the box labeled "cash" and complete Parts I and II of Schedule F.

Under the **accrual method**, you include your income in the year you earn it. It does not matter when you get it. You deduct your expenses when you incur them. If you use the accrual method, check the box labeled "accrual" and complete Parts II and III of Schedule F.

Other rules also apply that determine the timing of deductions based on economic performance. Get **Publication 538**, Accounting Periods and Methods, for details.

Line D

If you made an election to include Commodity Credit Corporation loan proceeds as income in the year you received the proceeds rather than reporting as income the proceeds from the sale of the commodities in the year sold or in the year of forfeiture, and you reported these loan proceeds as income in a prior year, check the box on line D. For information on how to make this election, see the instructions for line 8.

Employer Identification (ID) Number

You need an employer ID number only if you had a Keogh plan, or you were required to file an employment, excise, fiduciary, partnership, or alcohol, tobacco, or firearms tax return.

Part I

Farm Income—Cash Method

In Part I show the income you received for the items listed on lines 1 through 11. Count both the cash you actually or constructively received and the fair market value of goods or other property you received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4.

Sales of Livestock Because of Drought. If you sold livestock because of a drought, you can choose to count the income from the sale in the year after the drought, instead of the year of the sale. You can do this **IF:**

- your main business is farming, **AND**
- you can show that you sold the livestock only because of the drought, **AND**
- your area qualified for Federal aid.

Lines 1 and 2

On line 1, show the amount you received from sales of livestock and other items you bought for resale. On line 2, show the cost or other basis of the livestock and other items you actually sold.

Line 4

Show the amount you got from the sale of livestock, produce, grains, and other products you raised.

Lines 5a and 5b

If you received distributions from a cooperative in 1986, you should receive **Form 1099-PATR**, Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives. On line 5a show your total distributions from cooperatives. This includes patronage dividends, nonpatronage dividends, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances you received from a marketing cooperative. If you get per-unit retains in cash, show the amount of cash. If you get qualified per-unit retain certificates, show the stated dollar amount of the certificate.

You do not have to include as income patronage dividends from buying personal or family items, capital assets, or depreciable assets you use in your business.

Enter these amounts on line 5b. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 7a and 7b

Enter on line 7a cash you got as price support payments, diversion payments, and cost-share payments (sight drafts).

On line 7b, show the amounts the Department of Agriculture paid for materials, such as fertilizer or lime, or services, such as grading or constructing dams.

Line 8

Generally, you report income from a crop in the year you sell it. However, if you pledge part or all of your production to secure a Commodity Credit Corporation loan, you may elect to report the loan proceeds as income in the year you receive them rather than reporting the income in the year of sale. If you make this election for loan proceeds received in 1986, report them on line 8 and attach a statement to your return showing the details of the loan.

If you receive a commodity credit loan and forfeit it in the same year, you must report the loan proceeds as income in the year received. If you forfeit the loan in a subsequent year and you did not elect to report the loan proceeds as income in the year received, you must report the loan proceeds in the year of forfeiture.

If you elected to report loan proceeds as income in the year received and 1986 is the year of sale or the year of forfeiture, check the box on line D.

For additional information on commodity credit loans, see Publication 225.

Line 9

In general, you must report crop insurance proceeds in the year you receive them. However, you may choose to include crop insurance proceeds (and certain disaster payments) in income in the tax year after the year of damage. If you make this election, you must attach a statement to your return for the year the damage took place. See Publication 225 for information on what you must include in your statement.

If you received crop insurance proceeds in 1986 and you elect to include these proceeds in income in the year following the damage, check the box on line 9.

Line 10

Show the amount you were paid for the use of your farm machinery.

Line 11

Use this line to report income other than that shown on lines 1 through 10. For example, include the following income items on line 11:

- Barter income.
- State gasoline tax refund you got in 1986.
- The amount of credit for Federal tax on gasoline or other fuel claimed on your 1985 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on **Form 6478**.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 11. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: *For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction.*

Purchase or sales contracts are not true hedges if they offset losses that already happened. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report the gain or loss on **Form 6781**, Gains and Losses From Section 1256 Contracts and Straddles.

For more details, see Publication 225.

Part II
Farm Deductions

Do not deduct:

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Loss of inventory.
- Personal losses.
- The cost of planting and growing citrus or almond groves before the close of the fourth tax year beginning with the tax year you plant them in their permanent grove. You must treat these items as part of the cost of the grove.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Farming Syndicates

A farming syndicate may be:

- a partnership, or
- any other noncorporate group, or
- an S corporation, if

a. the interests in the business have ever been for sale in a way that would require registration with any Federal or state agency, or

b. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs. (A limited partner is one who can lose only the amount invested in the partnership; a limited entrepreneur is a person who does not take any active part in managing the business.)

If you are a farming syndicate, your deductions are limited as follows.

- Generally, you can deduct feed, seed, fertilizers, and other farm supplies only in the year you actually use them (or only in the year you can deduct them under your accounting method). However, if you bought supplies you could not use because of fire, storm, flood, disease, or other casualty, then you may deduct them in the year you bought them.
- You must spread the cost of poultry you bought to use in business (or to resell) over 12 months, or the useful life, whichever is less.
- You cannot deduct the cost of planting, cultivating, maintaining or developing groves, orchards, or vineyards, which produce fruit or nuts, before the tax year in which they produce commercial quantities. You must treat these costs as part of the cost of the grove.

Line 15

You can deduct what you spent to conserve soil or water, or to prevent erosion of your land. You can also deduct what you paid to a soil or water district for conservation expenses. Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, you can carry the excess over to following years.

Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on:

- your home, furniture, or other personal items,
- land,
- livestock you bought or raised for resale, or
- other property in your inventory.

You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1986 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on **Form 4562**, Depreciation and Amortization. Enter on line 16 of Schedule F the amount from Form 4562, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. The allowable amounts are further limited if your business use is less than 100%. In general, for cars or other "listed property" placed in service in 1986, you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of Form 4562. See the instructions for Form 4562 and **Publication 534**, Depreciation, for details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, for which you claimed a depreciation deduction, and the business use percentage of the property decreased to 50% or less during 1986, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

Investment Credit. The credit has generally been repealed for property placed in service after 1985. See **Changes You Should Note** in the Schedule C instructions on page 28.

If you dispose of investment credit property before the end of its class life or life years, the business use percentage decreases, or the use of the property otherwise changes so that it no longer qualifies, you may have to recapture the credit. Get **Form 4255**, Recapture of Investment Credit, for details.

Line 17

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 27. Examples are insurance, health, and welfare programs. Do not include here amounts paid for yourself or your family.

Line 18

If you use the cash method, show what you paid for feed to be consumed by your livestock in the year of payment. However, if the feed is to be consumed in a later tax year, the expenses might not be deductible in the year paid. See Publication 225 for more information on advance payments for feed.

Line 20

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 22

Enter only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not include insurance on personal assets, or medical, health, or disability insurance on yourself or your family.

Lines 23a and 23b

If you have a **mortgage** on your farm (real property), enter on line 23a the interest you paid for 1986 to financial institutions. If you paid $600 or more of interest on this **mortgage**, you should receive **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1986. You should receive this statement by February 2, 1987. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 23a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, **get Publication 545**, Interest Expense, to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 23a.

Note: *If the farm mortgage interest you paid includes interest on your personal residence, deduct the interest for the residence on Schedule A (Form 1040). Do not deduct it on Schedule F.*

On line 23b, enter the interest on other loans related to this farm. If you prepaid interest in 1986 for years after 1986, include only the part that applies to 1986.

Lines 24a and 24b

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor but not the value of any products they used from the farm. You can count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Caution: *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as farm labor the amount applicable to depreciation and other expenses claimed elsewhere.*

Enter on line 24b the jobs credit from **Form 5884**. Get **Publication 906**, Jobs and Research Credits, for information on the jobs credit.

Line 26

Enter what you paid to rent machinery used on your farm.

Line 27

Enter the amount you paid to pension, profit-sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Schedule C, line 21, on page 29. Enter the amount you paid for yourself on Form 1040, line 27.

Line 28

Enter what you paid to rent pasture or farm land.

Line 29

Enter what you paid for repairs and upkeep of farm buildings (but not your home), machinery, and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes.

Line 33

You can deduct the following taxes.

- Real estate and personal property taxes on farm business assets.
- Social security taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- Other taxes not related to the farm business.

Line 34

Enter what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

Line 36

Enter expenses not listed on another line, such as:

- Office supplies.
- Advertising.
- Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions. This is treated as a deduction allocable to this activity in 1986.
- Amortization of qualifying forestation and reforestation costs over an 84-month period.
- Amortization of certain business startup costs over a period of at least 60 months.

Use **Form 4562**, Depreciation and Amortization, to figure your amortization deduction. Include on line 36 of Schedule F the amount of the deduction from Form 4562, Part II.

For more information on amortization, get **Publication 535**, Business Expenses.

- **Bad Debts.** Include debts and partial debts arising from sales that were included in income and are definitely known to be worthless. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve. ***Caution:*** *Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income.*

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it unless you use the bad debt reserve method. For more information, please **get Publication 548**, Deduction for Bad Debts.

- Car and truck expenses. You can deduct the actual cost of running your car or truck, or take the **standard mileage rate**.

Note: *If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete Part III of Form 4562.*

The standard rate is 21 cents a mile up to 15,000 miles, and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost. If you use the vehicle for both personal and farm purposes, show only the miles (or costs) which apply to farming.

For vehicles that have been fully depreciated, the rate is 11 cents a mile.

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate.

If you place a car or truck in service after December 31, 1980, and take the standard mileage rate, you are treated as having elected to exclude this vehicle from ACRS.

For more details, **get Publication 917**, Business Use of a Car.

Note: *If you use certain highway trucks, truck trailers, tractor trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get* ***Form 2290****, Heavy Vehicle Use Tax Return, to see if you are subject to the tax.*

Line 38

If you have a loss, go on to line 39 before entering your loss on line 38. Enter the net profit or deductible loss here and on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 5, or Form 1041S, line 5). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 8.

Line 39

If you have (1) a loss from any farming activity that you engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule F.

Answer the question on line 39 "**YES**" if you have any amounts for which you are not at risk for this farm such as the following:

1. nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity unless they are secured by property not used in the activity, or

2. amounts protected against loss by a guarantee, stop loss agreement, or similar arrangement, or

3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 168(e)(4), to a person (other than yourself) having such an interest, or

4. amounts contributed to the activity, or to your interest in the activity that is covered by:

- nonrecourse loans or protected against loss by a guarantee, stop loss agreement, or similar arrangement, or
- loans from a person described in 3 above.

If you do not have any of these kinds of amounts for which you are not at risk in this business, then answer the question "**NO**" and enter your loss on line 38.

If you answered "**YES**" to the question on line 39, get Form 6198 to determine the amount of deductible loss and enter that amount on line 38. If your at-risk amount is zero or less, enter zero on line 38. Be sure to attach Form 6198 to your return. If you answer "Yes" to the question on line 39 and you fail to attach Form 6198, processing of your return may be delayed.

If, in addition to the amount that you report on Schedule F, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

Any loss from this activity not allowed for 1986 is treated as a deduction allocable to the activity in 1987.

For more details, **get Publication 536**, Net Operating Losses and the At-Risk Limits. Also see the instructions for Form 6198.

Part III
Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. Get **Publication 538**, Accounting Periods and Methods, for exceptions, inventory methods, and how to change methods of accounting.

Line 40

Enter the amount you got from the sales of livestock, produce, grains, and other products you raised.

Lines 41 through 46

See instructions for Part I, lines 5, 7, 8, 10, and 11.

1986 Tax Table

Based on Taxable Income

For persons with taxable incomes of less than $50,000.

Your zero bracket amount has been built into the Tax Table.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is $25,325. First, they find the line for taxable income at least $25,300 but less than $25,350. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $3,470. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
			Your tax is—		
25,200	25,250	4,406	3,448	5,468	4,075
25,250	25,300	4,419	3,459	5,487	4,087
25,300	25,350	4,432	3,470	5,506	4,099
25,350	25,400	4,446	3,481	5,525	4,112

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
			Your tax is—		
$0	$1,850	$0	$0	$0	$0
1,850	1,875	0	0	3	0
1,875	1,900	0	0	6	0
1,900	1,925	0	0	9	0
1,925	1,950	0	0	11	0
1,950	1,975	0	0	14	0
1,975	2,000	0	0	17	0
2,000					
2,000	2,025	0	0	20	0
2,025	2,050	0	0	22	0
2,050	2,075	0	0	25	0
2,075	2,100	0	0	28	0
2,100	2,125	0	0	31	0
2,125	2,150	0	0	33	0
2,150	2,175	0	0	36	0
2,175	2,200	0	0	39	0
2,200	2,225	0	0	42	0
2,225	2,250	0	0	44	0
2,250	2,275	0	0	47	0
2,275	2,300	0	0	50	0
2,300	2,325	0	0	53	0
2,325	2,350	0	0	55	0
2,350	2,375	0	0	58	0
2,375	2,400	0	0	61	0
2,400	2,425	0	0	64	0
2,425	2,450	0	0	66	0
2,450	2,475	0	0	69	0
2,475	2,500	#1	0	72	#1
2,500	2,525	4	0	75	4
2,525	2,550	6	0	77	6
2,550	2,575	9	0	80	9
2,575	2,600	12	0	83	12
2,600	2,625	15	0	86	15
2,625	2,650	17	0	88	17
2,650	2,675	20	0	91	20
2,675	2,700	23	0	94	23
2,700	2,725	26	0	97	26
2,725	2,750	28	0	99	28
2,750	2,775	31	0	102	31
2,775	2,800	34	0	105	34
2,800	2,825	37	0	108	37
2,825	2,850	39	0	110	39
2,850	2,875	42	0	113	42
2,875	2,900	45	0	116	45
2,900	2,925	48	0	119	48
2,925	2,950	50	0	121	50
2,950	2,975	53	0	124	53
2,975	3,000	56	0	127	56
3,000					
3,000	3,050	60	0	131	60
3,050	3,100	65	0	137	65
3,100	3,150	71	0	143	71
3,150	3,200	76	0	149	76
3,200	3,250	82	0	155	82
3,250	3,300	87	0	161	87
3,300	3,350	93	0	167	93
3,350	3,400	98	0	173	98
3,400	3,450	104	0	179	104
3,450	3,500	109	0	185	109
3,500	3,550	115	0	191	115
3,550	3,600	120	0	197	120
3,600	3,650	126	0	203	126
3,650	3,700	132	#1	209	131
3,700	3,750	138	6	215	137
3,750	3,800	144	12	221	142
3,800	3,850	150	17	227	148
3,850	3,900	156	23	233	153
3,900	3,950	162	28	239	159
3,950	4,000	168	34	245	164
4,000					
4,000	4,050	174	39	251	170
4,050	4,100	180	45	257	175
4,100	4,150	186	50	264	181
4,150	4,200	192	56	271	186
4,200	4,250	198	61	278	192
4,250	4,300	204	67	285	197
4,300	4,350	210	72	292	203
4,350	4,400	216	78	299	208
4,400	4,450	222	83	306	214
4,450	4,500	228	89	313	219
4,500	4,550	234	94	320	225
4,550	4,600	240	100	327	230
4,600	4,650	246	105	334	236
4,650	4,700	252	111	341	241
4,700	4,750	258	116	348	247
4,750	4,800	264	122	355	253
4,800	4,850	271	127	362	259
4,850	4,900	278	133	369	265
4,900	4,950	285	138	376	271
4,950	5,000	292	144	383	277

Continued on next page

* This column must also be used by a qualifying widow(er).

#If your taxable income is exactly $2,480 (wages), your tax is zero.

#If your taxable income is exactly $3,670 or less, your tax is zero.

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
			Your tax is—		
5,000					
5,000	5,050	299	149	390	283
5,050	5,100	306	155	397	289
5,100	5,150	313	160	404	295
5,150	5,200	320	166	411	301
5,200	5,250	327	171	418	307
5,250	5,300	334	177	425	313
5,300	5,350	341	182	432	319
5,350	5,400	348	188	439	325
5,400	5,450	355	193	446	331
5,450	5,500	362	199	453	337
5,500	5,550	369	204	460	343
5,550	5,600	376	210	467	349
5,600	5,650	383	215	474	355
5,650	5,700	390	221	481	361
5,700	5,750	397	226	488	367
5,750	5,800	404	232	495	373
5,800	5,850	411	237	502	379
5,850	5,900	418	243	509	385
5,900	5,950	425	248	516	391
5,950	6,000	432	254	523	397
6,000					
6,000	6,050	439	260	530	403
6,050	6,100	446	266	537	409
6,100	6,150	453	272	544	415
6,150	6,200	460	278	551	421
6,200	6,250	467	284	558	427
6,250	6,300	474	290	565	433
6,300	6,350	481	296	572	439
6,350	6,400	488	302	579	445
6,400	6,450	495	308	586	451
6,450	6,500	502	314	594	457
6,500	6,550	509	320	602	463
6,550	6,600	516	326	610	469
6,600	6,650	523	332	618	475
6,650	6,700	530	338	626	481
6,700	6,750	537	344	634	487
6,750	6,800	544	350	642	493
6,800	6,850	551	356	650	499
6,850	6,900	558	362	658	505
6,900	6,950	565	368	666	511
6,950	7,000	572	374	674	517
7,000					
7,000	7,050	579	380	682	523
7,050	7,100	587	386	690	530
7,100	7,150	594	392	698	537
7,150	7,200	602	398	706	544
7,200	7,250	609	404	714	551
7,250	7,300	617	410	722	558
7,300	7,350	624	416	730	565
7,350	7,400	632	422	738	572
7,400	7,450	639	428	746	579
7,450	7,500	647	434	754	586
7,500	7,550	654	440	762	593
7,550	7,600	662	446	770	600
7,600	7,650	669	452	778	607
7,650	7,700	677	458	786	614
7,700	7,750	684	464	794	621
7,750	7,800	692	470	802	628
7,800	7,850	699	476	810	635
7,850	7,900	707	482	818	642
7,900	7,950	714	488	826	649
7,950	8,000	722	494	834	656
8,000					
8,000	8,050	729	500	842	663
8,050	8,100	737	506	850	670
8,100	8,150	744	512	858	677
8,150	8,200	752	518	866	684
8,200	8,250	759	524	874	691
8,250	8,300	767	531	882	698
8,300	8,350	774	538	890	705
8,350	8,400	782	545	898	712
8,400	8,450	789	552	906	719
8,450	8,500	797	559	914	726
8,500	8,550	804	566	922	733
8,550	8,600	812	573	930	740
8,600	8,650	819	580	938	747
8,650	8,700	827	587	947	754
8,700	8,750	834	594	956	761
8,750	8,800	842	601	965	768
8,800	8,850	849	608	974	775
8,850	8,900	857	615	983	782
8,900	8,950	864	622	992	789
8,950	9,000	872	629	1,001	796
9,000					
9,000	9,050	879	636	1,010	803
9,050	9,100	887	643	1,019	810
9,100	9,150	894	650	1,028	817
9,150	9,200	902	657	1,037	824
9,200	9,250	910	664	1,046	831
9,250	9,300	918	671	1,055	838
9,300	9,350	926	678	1,064	845
9,350	9,400	934	685	1,073	852
9,400	9,450	942	692	1,082	860
9,450	9,500	950	699	1,091	869
9,500	9,550	958	706	1,100	877
9,550	9,600	966	713	1,109	886
9,600	9,650	974	720	1,118	894
9,650	9,700	982	727	1,127	903
9,700	9,750	990	734	1,136	911
9,750	9,800	998	741	1,145	920
9,800	9,850	1,006	748	1,154	928
9,850	9,900	1,014	755	1,163	937
9,900	9,950	1,022	762	1,172	945
9,950	10,000	1,030	769	1,181	954
10,000					
10,000	10,050	1,038	776	1,190	962
10,050	10,100	1,046	783	1,199	971
10,100	10,150	1,054	790	1,208	979
10,150	10,200	1,062	797	1,217	988
10,200	10,250	1,070	804	1,226	996
10,250	10,300	1,078	811	1,235	1,005
10,300	10,350	1,086	818	1,244	1,013
10,350	10,400	1,094	825	1,253	1,022
10,400	10,450	1,102	832	1,262	1,030
10,450	10,500	1,110	839	1,271	1,039
10,500	10,550	1,118	846	1,280	1,047
10,550	10,600	1,126	853	1,289	1,056
10,600	10,650	1,134	860	1,298	1,064
10,650	10,700	1,142	867	1,307	1,073
10,700	10,750	1,150	874	1,316	1,081
10,750	10,800	1,158	881	1,325	1,090
10,800	10,850	1,166	888	1,334	1,098
10,850	10,900	1,174	895	1,343	1,107
10,900	10,950	1,182	902	1,353	1,115
10,950	11,000	1,190	909	1,364	1,124
11,000					
11,000	11,050	1,198	916	1,375	1,132
11,050	11,100	1,206	923	1,386	1,141
11,100	11,150	1,214	930	1,397	1,149
11,150	11,200	1,222	937	1,408	1,158
11,200	11,250	1,230	944	1,419	1,166
11,250	11,300	1,238	951	1,430	1,175
11,300	11,350	1,246	958	1,441	1,183
11,350	11,400	1,254	965	1,452	1,192
11,400	11,450	1,262	972	1,463	1,200
11,450	11,500	1,270	979	1,474	1,209
11,500	11,550	1,278	986	1,485	1,217
11,550	11,600	1,286	993	1,496	1,226
11,600	11,650	1,294	1,000	1,507	1,234
11,650	11,700	1,302	1,007	1,518	1,243
11,700	11,750	1,311	1,014	1,529	1,251
11,750	11,800	1,320	1,021	1,540	1,260
11,800	11,850	1,329	1,028	1,551	1,268
11,850	11,900	1,338	1,035	1,562	1,277
11,900	11,950	1,347	1,042	1,573	1,285
11,950	12,000	1,356	1,049	1,584	1,294
12,000					
12,000	12,050	1,365	1,056	1,595	1,302
12,050	12,100	1,374	1,063	1,606	1,311
12,100	12,150	1,383	1,070	1,617	1,319
12,150	12,200	1,392	1,077	1,628	1,328
12,200	12,250	1,401	1,084	1,639	1,336
12,250	12,300	1,410	1,091	1,650	1,345
12,300	12,350	1,419	1,098	1,661	1,353
12,350	12,400	1,428	1,105	1,672	1,362
12,400	12,450	1,437	1,112	1,683	1,370
12,450	12,500	1,446	1,119	1,694	1,379
12,500	12,550	1,455	1,126	1,705	1,387
12,550	12,600	1,464	1,133	1,716	1,396
12,600	12,650	1,473	1,140	1,727	1,404
12,650	12,700	1,482	1,147	1,738	1,413
12,700	12,750	1,491	1,154	1,749	1,421
12,750	12,800	1,500	1,161	1,760	1,430
12,800	12,850	1,509	1,168	1,771	1,439
12,850	12,900	1,518	1,176	1,782	1,448
12,900	12,950	1,527	1,184	1,793	1,457
12,950	13,000	1,536	1,192	1,804	1,466
13,000					
13,000	13,050	1,545	1,200	1,815	1,475
13,050	13,100	1,554	1,208	1,826	1,484
13,100	13,150	1,563	1,216	1,837	1,493
13,150	13,200	1,572	1,224	1,848	1,502
13,200	13,250	1,581	1,232	1,859	1,511
13,250	13,300	1,590	1,240	1,870	1,520
13,300	13,350	1,599	1,248	1,882	1,529
13,350	13,400	1,608	1,256	1,895	1,538
13,400	13,450	1,617	1,264	1,907	1,547
13,450	13,500	1,626	1,272	1,920	1,556
13,500	13,550	1,635	1,280	1,932	1,565
13,550	13,600	1,644	1,288	1,945	1,574
13,600	13,650	1,653	1,296	1,957	1,583
13,650	13,700	1,662	1,304	1,970	1,592
13,700	13,750	1,671	1,312	1,982	1,601
13,750	13,800	1,680	1,320	1,995	1,610
13,800	13,850	1,689	1,328	2,007	1,619
13,850	13,900	1,698	1,336	2,020	1,628
13,900	13,950	1,707	1,344	2,032	1,637
13,950	14,000	1,717	1,352	2,045	1,646

Continued on next page

* This column must also be used by a qualifying widow(er).

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
14,000					
14,000	14,050	1,727	1,360	2,057	1,655
14,050	14,100	1,737	1,368	2,070	1,664
14,100	14,150	1,747	1,376	2,082	1,673
14,150	14,200	1,757	1,384	2,095	1,682
14,200	14,250	1,767	1,392	2,107	1,691
14,250	14,300	1,777	1,400	2,120	1,700
14,300	14,350	1,787	1,408	2,132	1,709
14,350	14,400	1,797	1,416	2,145	1,718
14,400	14,450	1,807	1,424	2,157	1,727
14,450	14,500	1,817	1,432	2,170	1,736
14,500	14,550	1,827	1,440	2,182	1,745
14,550	14,600	1,837	1,448	2,195	1,754
14,600	14,650	1,847	1,456	2,207	1,763
14,650	14,700	1,857	1,464	2,220	1,772
14,700	14,750	1,867	1,472	2,232	1,781
14,750	14,800	1,877	1,480	2,245	1,790
14,800	14,850	1,887	1,488	2,257	1,799
14,850	14,900	1,897	1,496	2,270	1,808
14,900	14,950	1,907	1,504	2,282	1,817
14,950	15,000	1,917	1,512	2,295	1,826
15,000					
15,000	15,050	1,927	1,520	2,307	1,835
15,050	15,100	1,937	1,528	2,320	1,844
15,100	15,150	1,947	1,536	2,332	1,853
15,150	15,200	1,957	1,544	2,345	1,862
15,200	15,250	1,967	1,552	2,357	1,871
15,250	15,300	1,977	1,560	2,370	1,880
15,300	15,350	1,987	1,568	2,382	1,889
15,350	15,400	1,997	1,576	2,395	1,898
15,400	15,450	2,007	1,584	2,407	1,907
15,450	15,500	2,017	1,592	2,420	1,916
15,500	15,550	2,027	1,600	2,432	1,925
15,550	15,600	2,037	1,608	2,445	1,934
15,600	15,650	2,047	1,616	2,457	1,943
15,650	15,700	2,057	1,624	2,470	1,952
15,700	15,750	2,067	1,632	2,482	1,961
15,750	15,800	2,077	1,640	2,495	1,970
15,800	15,850	2,087	1,648	2,507	1,979
15,850	15,900	2,097	1,656	2,520	1,988
15,900	15,950	2,107	1,664	2,532	1,997
15,950	16,000	2,117	1,672	2,545	2,006
16,000					
16,000	16,050	2,127	1,680	2,557	2,015
16,050	16,100	2,137	1,688	2,570	2,024
16,100	16,150	2,147	1,696	2,582	2,033
16,150	16,200	2,157	1,704	2,595	2,042
16,200	16,250	2,168	1,712	2,610	2,052
16,250	16,300	2,180	1,720	2,624	2,062
16,300	16,350	2,191	1,728	2,638	2,072
16,350	16,400	2,203	1,736	2,652	2,082
16,400	16,450	2,214	1,744	2,666	2,092
16,450	16,500	2,226	1,752	2,680	2,102
16,500	16,550	2,237	1,760	2,694	2,112
16,550	16,600	2,249	1,768	2,708	2,122
16,600	16,650	2,260	1,776	2,722	2,132
16,650	16,700	2,272	1,784	2,736	2,142
16,700	16,750	2,283	1,792	2,750	2,152
16,750	16,800	2,295	1,800	2,764	2,162
16,800	16,850	2,306	1,808	2,778	2,172
16,850	16,900	2,318	1,816	2,792	2,182
16,900	16,950	2,329	1,824	2,806	2,192
16,950	17,000	2,341	1,832	2,820	2,202
17,000					
17,000	17,050	2,352	1,840	2,834	2,212
17,050	17,100	2,364	1,848	2,848	2,222
17,100	17,150	2,375	1,856	2,862	2,232
17,150	17,200	2,387	1,864	2,876	2,242
17,200	17,250	2,398	1,872	2,890	2,252
17,250	17,300	2,410	1,880	2,904	2,262
17,300	17,350	2,421	1,889	2,918	2,272
17,350	17,400	2,433	1,898	2,932	2,282
17,400	17,450	2,444	1,907	2,946	2,292
17,450	17,500	2,456	1,916	2,960	2,302
17,500	17,550	2,467	1,925	2,974	2,312
17,550	17,600	2,479	1,934	2,988	2,322
17,600	17,650	2,490	1,943	3,002	2,332
17,650	17,700	2,502	1,952	3,016	2,342
17,700	17,750	2,513	1,961	3,030	2,352
17,750	17,800	2,525	1,970	3,044	2,362
17,800	17,850	2,536	1,979	3,058	2,372
17,850	17,900	2,548	1,988	3,072	2,382
17,900	17,950	2,559	1,997	3,086	2,392
17,950	18,000	2,571	2,006	3,100	2,402
18,000					
18,000	18,050	2,582	2,015	3,114	2,412
18,050	18,100	2,594	2,024	3,128	2,422
18,100	18,150	2,605	2,033	3,142	2,432
18,150	18,200	2,617	2,042	3,156	2,442
18,200	18,250	2,628	2,051	3,170	2,452
18,250	18,300	2,640	2,060	3,184	2,462
18,300	18,350	2,651	2,069	3,198	2,472
18,350	18,400	2,663	2,078	3,212	2,482
18,400	18,450	2,674	2,087	3,226	2,492
18,450	18,500	2,686	2,096	3,240	2,502
18,500	18,550	2,697	2,105	3,254	2,512
18,550	18,600	2,709	2,114	3,268	2,522
18,600	18,650	2,720	2,123	3,282	2,532
18,650	18,700	2,732	2,132	3,296	2,542
18,700	18,750	2,743	2,141	3,310	2,552
18,750	18,800	2,755	2,150	3,324	2,562
18,800	18,850	2,766	2,159	3,338	2,572
18,850	18,900	2,778	2,168	3,352	2,582
18,900	18,950	2,789	2,177	3,366	2,592
18,950	19,000	2,801	2,186	3,380	2,602
19,000					
19,000	19,050	2,812	2,195	3,396	2,612
19,050	19,100	2,824	2,204	3,412	2,622
19,100	19,150	2,835	2,213	3,429	2,632
19,150	19,200	2,847	2,222	3,445	2,642
19,200	19,250	2,858	2,231	3,462	2,652
19,250	19,300	2,870	2,240	3,478	2,662
19,300	19,350	2,881	2,249	3,495	2,672
19,350	19,400	2,893	2,258	3,511	2,682
19,400	19,450	2,904	2,267	3,528	2,692
19,450	19,500	2,916	2,276	3,544	2,702
19,500	19,550	2,927	2,285	3,561	2,712
19,550	19,600	2,939	2,294	3,577	2,722
19,600	19,650	2,950	2,303	3,594	2,732
19,650	19,700	2,963	2,312	3,610	2,743
19,700	19,750	2,976	2,321	3,627	2,755
19,750	19,800	2,989	2,330	3,643	2,767
19,800	19,850	3,002	2,339	3,660	2,779
19,850	19,900	3,015	2,348	3,676	2,791
19,900	19,950	3,028	2,357	3,693	2,803
19,950	20,000	3,041	2,366	3,709	2,815

* This column must also be used by a qualifying widow(er)

Continued on next page

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
20,000					
20,000	20,050	3,054	2,375	3,726	2,827
20,050	20,100	3,067	2,384	3,742	2,839
20,100	20,150	3,080	2,393	3,759	2,851
20,150	20,200	3,093	2,402	3,775	2,863
20,200	20,250	3,106	2,411	3,792	2,875
20,250	20,300	3,119	2,420	3,808	2,887
20,300	20,350	3,132	2,429	3,825	2,899
20,350	20,400	3,145	2,438	3,841	2,911
20,400	20,450	3,158	2,447	3,858	2,923
20,450	20,500	3,171	2,456	3,874	2,935
20,500	20,550	3,184	2,465	3,891	2,947
20,550	20,600	3,197	2,474	3,907	2,959
20,600	20,650	3,210	2,483	3,924	2,971
20,650	20,700	3,223	2,492	3,940	2,983
20,700	20,750	3,236	2,501	3,957	2,995
20,750	20,800	3,249	2,510	3,973	3,007
20,800	20,850	3,262	2,519	3,990	3,019
20,850	20,900	3,275	2,528	4,006	3,031
20,900	20,950	3,288	2,537	4,023	3,043
20,950	21,000	3,301	2,546	4,039	3,055
21,000					
21,000	21,050	3,314	2,555	4,056	3,067
21,050	21,100	3,327	2,564	4,072	3,079
21,100	21,150	3,340	2,573	4,089	3,091
21,150	21,200	3,353	2,582	4,105	3,103
21,200	21,250	3,366	2,591	4,122	3,115
21,250	21,300	3,379	2,600	4,138	3,127
21,300	21,350	3,392	2,609	4,155	3,139
21,350	21,400	3,405	2,618	4,171	3,151
21,400	21,450	3,418	2,627	4,188	3,163
21,450	21,500	3,431	2,636	4,204	3,175
21,500	21,550	3,444	2,645	4,221	3,187
21,550	21,600	3,457	2,654	4,237	3,199
21,600	21,650	3,470	2,663	4,254	3,211
21,650	21,700	3,483	2,672	4,270	3,223
21,700	21,750	3,496	2,681	4,287	3,235
21,750	21,800	3,509	2,690	4,303	3,247
21,800	21,850	3,522	2,700	4,320	3,259
21,850	21,900	3,535	2,711	4,336	3,271
21,900	21,950	3,548	2,722	4,353	3,283
21,950	22,000	3,561	2,733	4,369	3,295
22,000					
22,000	22,050	3,574	2,744	4,386	3,307
22,050	22,100	3,587	2,755	4,402	3,319
22,100	22,150	3,600	2,766	4,419	3,331
22,150	22,200	3,613	2,777	4,435	3,343
22,200	22,250	3,626	2,788	4,452	3,355
22,250	22,300	3,639	2,799	4,468	3,367
22,300	22,350	3,652	2,810	4,485	3,379
22,350	22,400	3,665	2,821	4,501	3,391
22,400	22,450	3,678	2,832	4,518	3,403
22,450	22,500	3,691	2,843	4,534	3,415
22,500	22,550	3,704	2,854	4,551	3,427
22,550	22,600	3,717	2,865	4,567	3,439
22,600	22,650	3,730	2,876	4,584	3,451
22,650	22,700	3,743	2,887	4,600	3,463
22,700	22,750	3,756	2,898	4,617	3,475
22,750	22,800	3,769	2,909	4,633	3,487
22,800	22,850	3,782	2,920	4,650	3,499
22,850	22,900	3,795	2,931	4,666	3,511
22,900	22,950	3,808	2,942	4,683	3,523
22,950	23,000	3,821	2,953	4,699	3,535

* This column must also be used by a qualifying widow(er)

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
23,000					
23,000	23,050	3,834	2,964	4,716	3,547
23,050	23,100	3,847	2,975	4,732	3,559
23,100	23,150	3,860	2,986	4,749	3,571
23,150	23,200	3,873	2,997	4,765	3,583
23,200	23,250	3,886	3,008	4,782	3,595
23,250	23,300	3,899	3,019	4,798	3,607
23,300	23,350	3,912	3,030	4,815	3,619
23,350	23,400	3,925	3,041	4,831	3,631
23,400	23,450	3,938	3,052	4,848	3,643
23,450	23,500	3,951	3,063	4,864	3,655
23,500	23,550	3,964	3,074	4,881	3,667
23,550	23,600	3,977	3,085	4,897	3,679
23,600	23,650	3,990	3,096	4,914	3,691
23,650	23,700	4,003	3,107	4,930	3,703
23,700	23,750	4,016	3,118	4,947	3,715
23,750	23,800	4,029	3,129	4,963	3,727
23,800	23,850	4,042	3,140	4,980	3,739
23,850	23,900	4,055	3,151	4,996	3,751
23,900	23,950	4,068	3,162	5,013	3,763
23,950	24,000	4,081	3,173	5,029	3,775
24,000					
24,000	24,050	4,094	3,184	5,046	3,787
24,050	24,100	4,107	3,195	5,062	3,799
24,100	24,150	4,120	3,206	5,079	3,811
24,150	24,200	4,133	3,217	5,095	3,823
24,200	24,250	4,146	3,228	5,112	3,835
24,250	24,300	4,159	3,239	5,128	3,847
24,300	24,350	4,172	3,250	5,145	3,859
24,350	24,400	4,185	3,261	5,161	3,871
24,400	24,450	4,198	3,272	5,178	3,883
24,450	24,500	4,211	3,283	5,194	3,895
24,500	24,550	4,224	3,294	5,211	3,907
24,550	24,600	4,237	3,305	5,227	3,919
24,600	24,650	4,250	3,316	5,244	3,931
24,650	24,700	4,263	3,327	5,260	3,943
24,700	24,750	4,276	3,338	5,278	3,955
24,750	24,800	4,289	3,349	5,297	3,967
24,800	24,850	4,302	3,360	5,316	3,979
24,850	24,900	4,315	3,371	5,335	3,991
24,900	24,950	4,328	3,382	5,354	4,003
24,950	25,000	4,341	3,393	5,373	4,015
25,000					
25,000	25,050	4,354	3,404	5,392	4,027
25,050	25,100	4,367	3,415	5,411	4,039
25,100	25,150	4,380	3,426	5,430	4,051
25,150	25,200	4,393	3,437	5,449	4,063
25,200	25,250	4,406	3,448	5,468	4,075
25,250	25,300	4,419	3,459	5,487	4,087
25,300	25,350	4,432	3,470	5,506	4,099
25,350	25,400	4,446	3,481	5,525	4,112
25,400	25,450	4,461	3,492	5,544	4,126
25,450	25,500	4,476	3,503	5,563	4,140
25,500	25,550	4,491	3,514	5,582	4,154
25,550	25,600	4,506	3,525	5,601	4,168
25,600	25,650	4,521	3,536	5,620	4,182
25,650	25,700	4,536	3,547	5,639	4,196
25,700	25,750	4,551	3,558	5,658	4,210
25,750	25,800	4,566	3,569	5,677	4,224
25,800	25,850	4,581	3,580	5,696	4,238
25,850	25,900	4,596	3,591	5,715	4,252
25,900	25,950	4,611	3,602	5,734	4,266
25,950	26,000	4,626	3,613	5,753	4,280
26,000					
26,000	26,050	4,641	3,624	5,772	4,294
26,050	26,100	4,656	3,635	5,791	4,308
26,100	26,150	4,671	3,646	5,810	4,322
26,150	26,200	4,686	3,657	5,829	4,336
26,200	26,250	4,701	3,668	5,848	4,350
26,250	26,300	4,716	3,679	5,867	4,364
26,300	26,350	4,731	3,690	5,886	4,378
26,350	26,400	4,746	3,701	5,905	4,392
26,400	26,450	4,761	3,712	5,924	4,406
26,450	26,500	4,776	3,723	5,943	4,420
26,500	26,550	4,791	3,734	5,962	4,434
26,550	26,600	4,806	3,746	5,981	4,448
26,600	26,650	4,821	3,758	6,000	4,462
26,650	26,700	4,836	3,771	6,019	4,476
26,700	26,750	4,851	3,783	6,038	4,490
26,750	26,800	4,866	3,796	6,057	4,504
26,800	26,850	4,881	3,808	6,076	4,518
26,850	26,900	4,896	3,821	6,095	4,532
26,900	26,950	4,911	3,833	6,114	4,546
26,950	27,000	4,926	3,846	6,133	4,560
27,000					
27,000	27,050	4,941	3,858	6,152	4,574
27,050	27,100	4,956	3,871	6,171	4,588
27,100	27,150	4,971	3,883	6,190	4,602
27,150	27,200	4,986	3,896	6,209	4,616
27,200	27,250	5,001	3,908	6,228	4,630
27,250	27,300	5,016	3,921	6,247	4,644
27,300	27,350	5,031	3,933	6,266	4,658
27,350	27,400	5,046	3,946	6,285	4,672
27,400	27,450	5,061	3,958	6,304	4,686
27,450	27,500	5,076	3,971	6,323	4,700
27,500	27,550	5,091	3,983	6,342	4,714
27,550	27,600	5,106	3,996	6,361	4,728
27,600	27,650	5,121	4,008	6,380	4,742
27,650	27,700	5,136	4,021	6,399	4,756
27,700	27,750	5,151	4,033	6,418	4,770
27,750	27,800	5,166	4,046	6,437	4,784
27,800	27,850	5,181	4,058	6,456	4,798
27,850	27,900	5,196	4,071	6,475	4,812
27,900	27,950	5,211	4,083	6,494	4,826
27,950	28,000	5,226	4,096	6,513	4,840
28,000					
28,000	28,050	5,241	4,108	6,532	4,854
28,050	28,100	5,256	4,121	6,551	4,868
28,100	28,150	5,271	4,133	6,570	4,882
28,150	28,200	5,286	4,146	6,589	4,896
28,200	28,250	5,301	4,158	6,608	4,910
28,250	28,300	5,316	4,171	6,627	4,924
28,300	28,350	5,331	4,183	6,646	4,938
28,350	28,400	5,346	4,196	6,665	4,952
28,400	28,450	5,361	4,208	6,684	4,966
28,450	28,500	5,376	4,221	6,703	4,980
28,500	28,550	5,391	4,233	6,722	4,994
28,550	28,600	5,406	4,246	6,741	5,008
28,600	28,650	5,421	4,258	6,760	5,022
28,650	28,700	5,436	4,271	6,779	5,036
28,700	28,750	5,451	4,283	6,798	5,050
28,750	28,800	5,466	4,296	6,817	5,064
28,800	28,850	5,481	4,308	6,836	5,078
28,850	28,900	5,496	4,321	6,855	5,092
28,900	28,950	5,511	4,333	6,874	5,106
28,950	29,000	5,526	4,346	6,893	5,120
29,000					
29,000	29,050	5,541	4,358	6,912	5,134
29,050	29,100	5,556	4,371	6,931	5,148
29,100	29,150	5,571	4,383	6,950	5,162
29,150	29,200	5,586	4,396	6,969	5,176
29,200	29,250	5,601	4,408	6,988	5,190
29,250	29,300	5,616	4,421	7,007	5,204
29,300	29,350	5,631	4,433	7,026	5,218
29,350	29,400	5,646	4,446	7,045	5,232
29,400	29,450	5,661	4,458	7,064	5,246
29,450	29,500	5,676	4,471	7,083	5,260
29,500	29,550	5,691	4,483	7,102	5,274
29,550	29,600	5,706	4,496	7,121	5,288
29,600	29,650	5,721	4,508	7,140	5,302
29,650	29,700	5,736	4,521	7,159	5,316
29,700	29,750	5,751	4,533	7,178	5,330
29,750	29,800	5,766	4,546	7,197	5,344
29,800	29,850	5,781	4,558	7,216	5,358
29,850	29,900	5,796	4,571	7,235	5,372
29,900	29,950	5,811	4,583	7,254	5,386
29,950	30,000	5,826	4,596	7,273	5,400
30,000					
30,000	30,050	5,841	4,608	7,292	5,414
30,050	30,100	5,856	4,621	7,311	5,428
30,100	30,150	5,871	4,633	7,330	5,442
30,150	30,200	5,886	4,646	7,349	5,456
30,200	30,250	5,901	4,658	7,368	5,470
30,250	30,300	5,916	4,671	7,387	5,484
30,300	30,350	5,931	4,683	7,406	5,498
30,350	30,400	5,946	4,696	7,425	5,512
30,400	30,450	5,961	4,708	7,444	5,526
30,450	30,500	5,976	4,721	7,463	5,540
30,500	30,550	5,991	4,733	7,482	5,554
30,550	30,600	6,006	4,746	7,501	5,568
30,600	30,650	6,021	4,758	7,520	5,582
30,650	30,700	6,036	4,771	7,539	5,596
30,700	30,750	6,051	4,783	7,558	5,610
30,750	30,800	6,066	4,796	7,577	5,624
30,800	30,850	6,081	4,808	7,596	5,638
30,850	30,900	6,096	4,821	7,615	5,652
30,900	30,950	6,111	4,833	7,634	5,666
30,950	31,000	6,126	4,846	7,653	5,680
31,000					
31,000	31,050	6,141	4,858	7,672	5,694
31,050	31,100	6,156	4,871	7,691	5,708
31,100	31,150	6,172	4,883	7,710	5,724
31,150	31,200	6,189	4,896	7,729	5,740
31,200	31,250	6,206	4,908	7,748	5,756
31,250	31,300	6,223	4,921	7,767	5,772
31,300	31,350	6,240	4,933	7,786	5,788
31,350	31,400	6,257	4,946	7,805	5,804
31,400	31,450	6,274	4,958	7,824	5,820
31,450	31,500	6,291	4,971	7,843	5,836
31,500	31,550	6,308	4,983	7,862	5,852
31,550	31,600	6,325	4,996	7,881	5,868
31,600	31,650	6,342	5,008	7,900	5,884
31,650	31,700	6,359	5,021	7,919	5,900
31,700	31,750	6,376	5,033	7,938	5,916
31,750	31,800	6,393	5,046	7,957	5,932
31,800	31,850	6,410	5,058	7,976	5,948
31,850	31,900	6,427	5,071	7,995	5,964
31,900	31,950	6,444	5,083	8,014	5,980
31,950	32,000	6,461	5,096	8,033	5,996

Continued on next page

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
32,000					
32,000	32,050	6,478	5,108	8,052	6,012
32,050	32,100	6,495	5,121	8,071	6,028
32,100	32,150	6,512	5,133	8,090	6,044
32,150	32,200	6,529	5,146	8,109	6,060
32,200	32,250	6,546	5,158	8,128	6,076
32,250	32,300	6,563	5,171	8,147	6,092
32,300	32,350	6,580	5,185	8,166	6,108
32,350	32,400	6,597	5,199	8,185	6,124
32,400	32,450	6,614	5,213	8,206	6,140
32,450	32,500	6,631	5,227	8,227	6,156
32,500	32,550	6,648	5,241	8,248	6,172
32,550	32,600	6,665	5,255	8,269	6,188
32,600	32,650	6,682	5,269	8,290	6,204
32,650	32,700	6,699	5,283	8,311	6,220
32,700	32,750	6,716	5,297	8,332	6,236
32,750	32,800	6,733	5,311	8,353	6,252
32,800	32,850	6,750	5,325	8,374	6,268
32,850	32,900	6,767	5,339	8,395	6,284
32,900	32,950	6,784	5,353	8,416	6,300
32,950	33,000	6,801	5,367	8,437	6,316
33,000					
33,000	33,050	6,818	5,381	8,458	6,332
33,050	33,100	6,835	5,395	8,479	6,348
33,100	33,150	6,852	5,409	8,500	6,364
33,150	33,200	6,869	5,423	8,521	6,380
33,200	33,250	6,886	5,437	8,542	6,396
33,250	33,300	6,903	5,451	8,563	6,412
33,300	33,350	6,920	5,465	8,584	6,428
33,350	33,400	6,937	5,479	8,605	6,444
33,400	33,450	6,954	5,493	8,626	6,460
33,450	33,500	6,971	5,507	8,647	6,476
33,500	33,550	6,988	5,521	8,668	6,492
33,550	33,600	7,005	5,535	8,689	6,508
33,600	33,650	7,022	5,549	8,710	6,524
33,650	33,700	7,039	5,563	8,731	6,540
33,700	33,750	7,056	5,577	8,752	6,556
33,750	33,800	7,073	5,591	8,773	6,572
33,800	33,850	7,090	5,605	8,794	6,588
33,850	33,900	7,107	5,619	8,815	6,604
33,900	33,950	7,124	5,633	8,836	6,620
33,950	34,000	7,141	5,647	8,857	6,636
34,000					
34,000	34,050	7,158	5,661	8,878	6,652
34,050	34,100	7,175	5,675	8,899	6,668
34,100	34,150	7,192	5,689	8,920	6,684
34,150	34,200	7,209	5,703	8,941	6,700
34,200	34,250	7,226	5,717	8,962	6,716
34,250	34,300	7,243	5,731	8,983	6,732
34,300	34,350	7,260	5,745	9,004	6,748
34,350	34,400	7,277	5,759	9,025	6,764
34,400	34,450	7,294	5,773	9,046	6,780
34,450	34,500	7,311	5,787	9,067	6,796
34,500	34,550	7,328	5,801	9,088	6,812
34,550	34,600	7,345	5,815	9,109	6,828
34,600	34,650	7,362	5,829	9,130	6,844
34,650	34,700	7,379	5,843	9,151	6,860
34,700	34,750	7,396	5,857	9,172	6,876
34,750	34,800	7,413	5,871	9,193	6,892
34,800	34,850	7,430	5,885	9,214	6,908
34,850	34,900	7,447	5,899	9,235	6,924
34,900	34,950	7,464	5,913	9,256	6,940
34,950	35,000	7,481	5,927	9,277	6,956
35,000					
35,000	35,050	7,498	5,941	9,298	6,972
35,050	35,100	7,515	5,955	9,319	6,988
35,100	35,150	7,532	5,969	9,340	7,004
35,150	35,200	7,549	5,983	9,361	7,020
35,200	35,250	7,566	5,997	9,382	7,036
35,250	35,300	7,583	6,011	9,403	7,052
35,300	35,350	7,600	6,025	9,424	7,068
35,350	35,400	7,617	6,039	9,445	7,084
35,400	35,450	7,634	6,053	9,466	7,100
35,450	35,500	7,651	6,067	9,487	7,116
35,500	35,550	7,668	6,081	9,508	7,132
35,550	35,600	7,685	6,095	9,529	7,148
35,600	35,650	7,702	6,109	9,550	7,164
35,650	35,700	7,719	6,123	9,571	7,180
35,700	35,750	7,736	6,137	9,592	7,196
35,750	35,800	7,753	6,151	9,613	7,212
35,800	35,850	7,770	6,165	9,634	7,228
35,850	35,900	7,787	6,179	9,655	7,244
35,900	35,950	7,804	6,193	9,676	7,260
35,950	36,000	7,821	6,207	9,697	7,276
36,000					
36,000	36,050	7,838	6,221	9,718	7,292
36,050	36,100	7,855	6,235	9,739	7,308
36,100	36,150	7,872	6,249	9,760	7,324
36,150	36,200	7,889	6,263	9,781	7,340
36,200	36,250	7,906	6,277	9,802	7,356
36,250	36,300	7,923	6,291	9,823	7,372
36,300	36,350	7,940	6,305	9,844	7,388
36,350	36,400	7,957	6,319	9,865	7,404
36,400	36,450	7,974	6,333	9,886	7,420
36,450	36,500	7,991	6,347	9,907	7,436
36,500	36,550	8,008	6,361	9,928	7,452
36,550	36,600	8,025	6,375	9,949	7,468
36,600	36,650	8,042	6,389	9,970	7,484
36,650	36,700	8,059	6,403	9,991	7,500
36,700	36,750	8,076	6,417	10,012	7,516
36,750	36,800	8,093	6,431	10,033	7,532
36,800	36,850	8,111	6,445	10,054	7,548
36,850	36,900	8,130	6,459	10,075	7,566
36,900	36,950	8,149	6,473	10,096	7,583
36,950	37,000	8,168	6,487	10,117	7,601
37,000					
37,000	37,050	8,187	6,501	10,138	7,618
37,050	37,100	8,206	6,515	10,159	7,636
37,100	37,150	8,225	6,529	10,180	7,653
37,150	37,200	8,244	6,543	10,201	7,671
37,200	37,250	8,263	6,557	10,222	7,688
37,250	37,300	8,282	6,571	10,243	7,706
37,300	37,350	8,301	6,585	10,264	7,723
37,350	37,400	8,320	6,599	10,285	7,741
37,400	37,450	8,339	6,613	10,306	7,758
37,450	37,500	8,358	6,627	10,327	7,776
37,500	37,550	8,377	6,641	10,348	7,793
37,550	37,600	8,396	6,655	10,369	7,811
37,600	37,650	8,415	6,669	10,390	7,828
37,650	37,700	8,434	6,683	10,411	7,846
37,700	37,750	8,453	6,697	10,432	7,863
37,750	37,800	8,472	6,711	10,453	7,881
37,800	37,850	8,491	6,725	10,474	7,898
37,850	37,900	8,510	6,739	10,495	7,916
37,900	37,950	8,529	6,753	10,516	7,933
37,950	38,000	8,548	6,767	10,537	7,951
38,000					
38,000	38,050	8,567	6,783	10,558	7,968
38,050	38,100	8,586	6,800	10,579	7,986
38,100	38,150	8,605	6,816	10,600	8,003
38,150	38,200	8,624	6,833	10,621	8,021
38,200	38,250	8,643	6,849	10,642	8,038
38,250	38,300	8,662	6,866	10,663	8,056
38,300	38,350	8,681	6,882	10,684	8,073
38,350	38,400	8,700	6,899	10,705	8,091
38,400	38,450	8,719	6,915	10,726	8,108
38,450	38,500	8,738	6,932	10,747	8,126
38,500	38,550	8,757	6,948	10,768	8,143
38,550	38,600	8,776	6,965	10,789	8,161
38,600	38,650	8,795	6,981	10,810	8,178
38,650	38,700	8,814	6,998	10,831	8,196
38,700	38,750	8,833	7,014	10,852	8,213
38,750	38,800	8,852	7,031	10,873	8,231
38,800	38,850	8,871	7,047	10,894	8,248
38,850	38,900	8,890	7,064	10,915	8,266
38,900	38,950	8,909	7,080	10,936	8,283
38,950	39,000	8,928	7,097	10,957	8,301
39,000					
39,000	39,050	8,947	7,113	10,978	8,318
39,050	39,100	8,966	7,130	10,999	8,336
39,100	39,150	8,985	7,146	11,020	8,353
39,150	39,200	9,004	7,163	11,041	8,371
39,200	39,250	9,023	7,179	11,062	8,388
39,250	39,300	9,042	7,196	11,083	8,406
39,300	39,350	9,061	7,212	11,104	8,423
39,350	39,400	9,080	7,229	11,125	8,441
39,400	39,450	9,099	7,245	11,146	8,458
39,450	39,500	9,118	7,262	11,167	8,476
39,500	39,550	9,137	7,278	11,188	8,493
39,550	39,600	9,156	7,295	11,209	8,511
39,600	39,650	9,175	7,311	11,230	8,528
39,650	39,700	9,194	7,328	11,251	8,546
39,700	39,750	9,213	7,344	11,272	8,563
39,750	39,800	9,232	7,361	11,293	8,581
39,800	39,850	9,251	7,377	11,314	8,598
39,850	39,900	9,270	7,394	11,335	8,616
39,900	39,950	9,289	7,410	11,356	8,633
39,950	40,000	9,308	7,427	11,377	8,651
40,000					
40,000	40,050	9,327	7,443	11,398	8,668
40,050	40,100	9,346	7,460	11,419	8,686
40,100	40,150	9,365	7,476	11,440	8,703
40,150	40,200	9,384	7,493	11,461	8,721
40,200	40,250	9,403	7,509	11,482	8,738
40,250	40,300	9,422	7,526	11,503	8,756
40,300	40,350	9,441	7,542	11,524	8,773
40,350	40,400	9,460	7,559	11,545	8,791
40,400	40,450	9,479	7,575	11,566	8,808
40,450	40,500	9,498	7,592	11,587	8,826
40,500	40,550	9,517	7,608	11,608	8,843
40,550	40,600	9,536	7,625	11,629	8,861
40,600	40,650	9,555	7,641	11,650	8,878
40,650	40,700	9,574	7,658	11,671	8,896
40,700	40,750	9,593	7,674	11,692	8,913
40,750	40,800	9,612	7,691	11,713	8,931
40,800	40,850	9,631	7,707	11,734	8,948
40,850	40,900	9,650	7,724	11,755	8,966
40,900	40,950	9,669	7,740	11,776	8,983
40,950	41,000	9,688	7,757	11,797	9,001

Continued on next page

* This column must also be used by a qualifying widow(er).

1986 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
41,000					
41,000	41,050	9,707	7,773	11,818	9,018
41,050	41,100	9,726	7,790	11,839	9,036
41,100	41,150	9,745	7,806	11,860	9,053
41,150	41,200	9,764	7,823	11,881	9,071
41,200	41,250	9,783	7,839	11,902	9,088
41,250	41,300	9,802	7,856	11,923	9,106
41,300	41,350	9,821	7,872	11,944	9,123
41,350	41,400	9,840	7,889	11,965	9,141
41,400	41,450	9,859	7,905	11,986	9,158
41,450	41,500	9,878	7,922	12,007	9,176
41,500	41,550	9,897	7,938	12,028	9,193
41,550	41,600	9,916	7,955	12,049	9,211
41,600	41,650	9,935	7,971	12,070	9,228
41,650	41,700	9,954	7,988	12,091	9,246
41,700	41,750	9,973	8,004	12,112	9,263
41,750	41,800	9,992	8,021	12,133	9,281
41,800	41,850	10,011	8,037	12,154	9,298
41,850	41,900	10,030	8,054	12,175	9,316
41,900	41,950	10,049	8,070	12,196	9,333
41,950	42,000	10,068	8,087	12,217	9,351
42,000					
42,000	42,050	10,087	8,103	12,238	9,368
42,050	42,100	10,106	8,120	12,259	9,386
42,100	42,150	10,125	8,136	12,280	9,403
42,150	42,200	10,144	8,153	12,301	9,421
42,200	42,250	10,163	8,169	12,322	9,438
42,250	42,300	10,182	8,186	12,343	9,456
42,300	42,350	10,201	8,202	12,364	9,473
42,350	42,400	10,220	8,219	12,385	9,491
42,400	42,450	10,239	8,235	12,406	9,508
42,450	42,500	10,258	8,252	12,427	9,526
42,500	42,550	10,277	8,268	12,448	9,543
42,550	42,600	10,296	8,285	12,469	9,561
42,600	42,650	10,315	8,301	12,490	9,578
42,650	42,700	10,334	8,318	12,511	9,596
42,700	42,750	10,353	8,334	12,532	9,613
42,750	42,800	10,372	8,351	12,553	9,631
42,800	42,850	10,391	8,367	12,574	9,648
42,850	42,900	10,410	8,384	12,595	9,666
42,900	42,950	10,429	8,400	12,616	9,683
42,950	43,000	10,448	8,417	12,637	9,701
43,000					
43,000	43,050	10,467	8,433	12,658	9,718
43,050	43,100	10,486	8,450	12,679	9,736
43,100	43,150	10,505	8,466	12,700	9,753
43,150	43,200	10,524	8,483	12,721	9,771
43,200	43,250	10,543	8,499	12,742	9,788
43,250	43,300	10,562	8,516	12,763	9,806
43,300	43,350	10,581	8,532	12,784	9,823
43,350	43,400	10,600	8,549	12,805	9,841
43,400	43,450	10,619	8,565	12,826	9,858
43,450	43,500	10,638	8,582	12,847	9,876
43,500	43,550	10,657	8,598	12,868	9,893
43,550	43,600	10,676	8,615	12,889	9,911
43,600	43,650	10,695	8,631	12,910	9,928
43,650	43,700	10,714	8,648	12,931	9,946
43,700	43,750	10,733	8,664	12,952	9,963
43,750	43,800	10,752	8,681	12,973	9,981
43,800	43,850	10,771	8,697	12,994	9,998
43,850	43,900	10,790	8,714	13,015	10,016
43,900	43,950	10,809	8,730	13,036	10,033
43,950	44,000	10,828	8,747	13,057	10,051
44,000					
44,000	44,050	10,847	8,763	13,078	10,068
44,050	44,100	10,866	8,780	13,099	10,086
44,100	44,150	10,885	8,796	13,120	10,103
44,150	44,200	10,904	8,813	13,141	10,121
44,200	44,250	10,923	8,829	13,162	10,138
44,250	44,300	10,942	8,846	13,183	10,156
44,300	44,350	10,961	8,862	13,204	10,173
44,350	44,400	10,980	8,879	13,225	10,191
44,400	44,450	10,999	8,895	13,246	10,208
44,450	44,500	11,018	8,912	13,267	10,226
44,500	44,550	11,037	8,928	13,288	10,243
44,550	44,600	11,056	8,945	13,309	10,261
44,600	44,650	11,075	8,961	13,330	10,278
44,650	44,700	11,094	8,978	13,351	10,296
44,700	44,750	11,113	8,994	13,372	10,313
44,750	44,800	11,132	9,011	13,393	10,331
44,800	44,850	11,153	9,027	13,414	10,348
44,850	44,900	11,174	9,044	13,435	10,366
44,900	44,950	11,195	9,060	13,456	10,383
44,950	45,000	11,216	9,077	13,477	10,401
45,000					
45,000	45,050	11,237	9,093	13,498	10,418
45,050	45,100	11,258	9,110	13,519	10,436
45,100	45,150	11,279	9,126	13,540	10,453
45,150	45,200	11,300	9,143	13,561	10,471
45,200	45,250	11,321	9,159	13,582	10,488
45,250	45,300	11,342	9,176	13,603	10,506
45,300	45,350	11,363	9,192	13,624	10,523
45,350	45,400	11,384	9,209	13,645	10,541
45,400	45,450	11,405	9,225	13,666	10,558
45,450	45,500	11,426	9,242	13,687	10,576
45,500	45,550	11,447	9,258	13,708	10,593
45,550	45,600	11,468	9,275	13,729	10,611
45,600	45,650	11,489	9,291	13,750	10,628
45,650	45,700	11,510	9,308	13,771	10,646
45,700	45,750	11,531	9,324	13,792	10,663
45,750	45,800	11,552	9,341	13,813	10,681
45,800	45,850	11,573	9,357	13,834	10,698
45,850	45,900	11,594	9,374	13,855	10,716
45,900	45,950	11,615	9,390	13,876	10,733
45,950	46,000	11,636	9,407	13,897	10,751
46,000					
46,000	46,050	11,657	9,423	13,918	10,768
46,050	46,100	11,678	9,440	13,939	10,786
46,100	46,150	11,699	9,456	13,960	10,803
46,150	46,200	11,720	9,473	13,981	10,821
46,200	46,250	11,741	9,489	14,003	10,838
46,250	46,300	11,762	9,506	14,025	10,856
46,300	46,350	11,783	9,522	14,048	10,873
46,350	46,400	11,804	9,539	14,070	10,891
46,400	46,450	11,825	9,555	14,093	10,908
46,450	46,500	11,846	9,572	14,115	10,926
46,500	46,550	11,867	9,588	14,138	10,943
46,550	46,600	11,888	9,605	14,160	10,961
46,600	46,650	11,909	9,621	14,183	10,978
46,650	46,700	11,930	9,638	14,205	10,996
46,700	46,750	11,951	9,654	14,228	11,013
46,750	46,800	11,972	9,671	14,250	11,031
46,800	46,850	11,993	9,687	14,273	11,048
46,850	46,900	12,014	9,704	14,295	11,066
46,900	46,950	12,035	9,720	14,318	11,083
46,950	47,000	12,056	9,737	14,340	11,101
47,000					
47,000	47,050	12,077	9,753	14,363	11,118
47,050	47,100	12,098	9,770	14,385	11,136
47,100	47,150	12,119	9,786	14,408	11,153
47,150	47,200	12,140	9,803	14,430	11,171
47,200	47,250	12,161	9,819	14,453	11,188
47,250	47,300	12,182	9,836	14,475	11,206
47,300	47,350	12,203	9,852	14,498	11,223
47,350	47,400	12,224	9,869	14,520	11,241
47,400	47,450	12,245	9,885	14,543	11,258
47,450	47,500	12,266	9,902	14,565	11,276
47,500	47,550	12,287	9,918	14,588	11,293
47,550	47,600	12,308	9,935	14,610	11,311
48,000					
48,000	48,050	12,497	10,083	14,813	11,468
48,050	48,100	12,518	10,100	14,835	11,486
48,100	48,150	12,539	10,118	14,858	11,503
48,150	48,200	12,560	10,133	14,880	11,521
48,200	48,250	12,581	10,149	14,903	11,538
48,250	48,300	12,602	10,166	14,925	11,556
48,300	48,350	12,623	10,182	14,948	11,573
48,350	48,400	12,644	10,199	14,970	11,600
48,400	48,450	12,665	10,215	14,993	11,621
48,450	48,500	12,686	10,232	15,015	11,642
48,500	48,550	12,707	10,248	15,038	11,663
48,550	48,600	12,728	10,265	15,060	11,684
48,600	48,650	12,749	10,281	15,083	11,705
48,650	48,700	12,770	10,298	15,105	11,726
48,700	48,750	12,791	10,314	15,128	11,747
48,750	48,800	12,812	10,331	15,150	11,768
48,800	48,850	12,833	10,347	15,173	11,789
48,850	48,900	12,854	10,364	15,195	11,810
48,900	48,950	12,875	10,380	15,218	11,831
48,950	49,000	12,896	10,397	15,240	11,852
49,000					
49,000	49,050	12,917	10,413	15,263	11,873
49,050	49,100	12,938	10,430	15,285	11,894
49,100	49,150	12,959	10,446	15,308	11,915
49,150	49,200	12,980	10,463	15,330	11,936
49,200	49,250	13,001	10,479	15,353	11,957
49,250	49,300	13,022	10,496	15,375	11,978
49,300	49,350	13,043	10,512	15,398	11,999
49,350	49,400	13,064	10,529	15,420	12,020
49,400	49,450	13,085	10,546	15,443	12,041
49,450	49,500	13,106	10,565	15,465	12,062
49,500	49,550	13,127	10,584	15,488	12,083
49,550	49,600	13,148	10,603	15,510	12,104
49,600	49,650	13,169	10,622	15,533	12,125
49,650	49,700	13,190	10,641	15,555	12,146
49,700	49,750	13,211	10,660	15,578	12,167
49,750	49,800	13,232	10,679	15,600	12,188
49,800	49,850	13,253	10,698	15,623	12,209
49,850	49,900	13,274	10,717	15,645	12,230
49,900	49,950	13,295	10,736	15,668	12,251
49,950	50,000	13,316	10,755	15,690	12,272

50,000 or over—use tax rate schedules

* This column must also be used by a qualifying widow(er).

1986 Tax Rate Schedules

Your zero bracket amount has been built into these Tax Rate Schedules.

Caution: You may use these schedules **ONLY** if your taxable income is $50,000 or more OR you use **Schedule G** to figure your tax.

Example: Mr. Jones is single. His taxable income on Form 1040, line 37, is $55,525. First, he finds the schedule (Schedule X) for single taxpayers. Next, he finds the $44,780-59,670 income line. Then, he subtracts $44,780 from $55,525 and multiplies the result ($10,745) by 42%. He then adds $4,512.90 ($10,745 x .42) to $11,134.20 and enters the result ($15,647.10) on Form 1040, line 38.

Schedule X—Single Taxpayers

Use this schedule if you checked **Filing Status Box 1** on Form 1040—

If the amount on Form 1040, line 37 is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$2,480	—0—	
2,480	3,670	11%	$2,480
3,670	4,750	$130.90 + 12%	3,670
4,750	7,010	260.50 + 14%	4,750
7,010	9,170	576.90 + 15%	7,010
9,170	11,650	900.90 + 16%	9,170
11,650	13,920	1,297.70 + 18%	11,650
13,920	16,190	1,706.30 + 20%	13,920
16,190	19,640	2,160.30 + 23%	16,190
19,640	25,360	2,953.80 + 26%	19,640
25,360	31,080	4,441.00 + 30%	25,360
31,080	36,800	6,157.00 + 34%	31,080
36,800	44,780	8,101.80 + 38%	36,800
44,780	59,670	11,134.20 + 42%	44,780
59,670	88,270	17,388.00 + 48%	59,670
88,270	.....	31,116.00 + 50%	88,270

Schedule Z—Heads of Household

(including certain married persons who live apart—see page 5 of the instructions)

Use this schedule if you checked **Filing Status Box 4** on Form 1040—

If the amount on Form 1040, line 37 is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$2,480	—0—	
2,480	4,750	11%	$2,480
4,750	7,010	$249.70 + 12%	4,750
7,010	9,390	520.90 + 14%	7,010
9,390	12,730	854.10 + 17%	9,390
12,730	16,190	1,421.90 + 18%	12,730
16,190	19,640	2,044.70 + 20%	16,190
19,640	25,360	2,734.70 + 24%	19,640
25,360	31,080	4,107.50 + 28%	25,360
31,080	36,800	5,709.10 + 32%	31,080
36,800	48,240	7,539.90 + 35%	36,800
48,240	65,390	11,543.50 + 42%	48,240
65,390	88,270	18,746.50 + 45%	65,390
88,270	116,870	29,042.50 + 48%	88,270
116,870	.....	42,770.50 + 50%	116,870

Schedule Y—Married Taxpayers and Qualifying Widows and Widowers

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked **Filing Status Box 2 or 5** on Form 1040—

If the amount on Form 1040, line 37 is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$3,670	—0—	
3,670	5,940	11%	$3,670
5,940	8,200	$249.70 + 12%	5,940
8,200	12,840	520.90 + 14%	8,200
12,840	17,270	1,170.50 + 16%	12,840
17,270	21,800	1,879.30 + 18%	17,270
21,800	26,550	2,694.70 + 22%	21,800
26,550	32,270	3,739.70 + 25%	26,550
32,270	37,980	5,169.70 + 28%	32,270
37,980	49,420	6,768.50 + 33%	37,980
49,420	64,750	10,543.70 + 38%	49,420
64,750	92,370	16,369.10 + 42%	64,750
92,370	118,050	27,969.50 + 45%	92,370
118,050	175,250	39,525.50 + 49%	118,050
175,250	.....	67,553.50 + 50%	175,250

Married Filing Separate Returns

Use this schedule if you checked **Filing Status Box 3** on Form 1040—

If the amount on Form 1040, line 37 is: Over—	But not over—	Enter on Form 1040 line 38	of the amount over—
$0	$1,835	—0—	
1,835	2,970	11%	$1,835
2,970	4,100	$124.85 + 12%	2,970
4,100	6,420	260.45 + 14%	4,100
6,420	8,635	585.25 + 16%	6,420
8,635	10,900	939.65 + 18%	8,635
10,900	13,275	1,347.35 + 22%	10,900
13,275	16,135	1,869.85 + 25%	13,275
16,135	18,990	2,584.85 + 28%	16,135
18,990	24,710	3,384.25 + 33%	18,990
24,710	32,375	5,271.85 + 38%	24,710
32,375	46,185	8,184.55 + 42%	32,375
46,185	59,025	13,984.75 + 45%	46,185
59,025	87,625	19,762.75 + 49%	59,025
87,625	.....	33,776.75 + 50%	87,625

1986 Optional State Sales Tax Tables

If you kept records that show you paid more sales tax than the table for your state indicates, you may claim the higher amount on Schedule A, line 8a.

Your itemized deduction for general sales tax paid can be estimated from these tables plus any qualifying sales taxes paid on the items listed on page 20.

To use the tables:

Step 1—Figure your total available income. Use the total of the amount on Form 1040, line 33, and nontaxable income such as veterans' benefits, workers' compensation, nontaxable part of unemployment compensation or long-term capital gains (however, do not include gains that are nontaxable because they were reinvested in similar property, such as a principal residence), nontaxable part of social security and railroad retirement benefits, dividend exclusion, deduction for a married couple when both work, and public assistance payments.

Step 2—Count the number of exemptions for you and your family. Do not count exemptions claimed for being 65 or over or blind as part of your family size.

Step 3—Find the income line for your state on the tables and read across to find the amount of sales tax for your family size.

Income: At least	But less than	Family size: 1	2	3	4	5	6	Over 6
Alabama [1]								
$10,000	$10,000	126	153	171	184	195	211	243
10,000	15,000	158	187	208	224	238	258	278
15,000	20,000	189	221	239	255	275	292	313
20,000	25,000	223	257	277	297	320	339	360
25,000	30,000	251	291	315	341	363	385	415
30,000	35,000	278	324	351	380	404	428	460
35,000	40,000	303	354	384	416	442	469	501
40,000	45,000	327	382	414	448	476	499	541
45,000	50,000	350	409	443	480	510	536	578
50,000	60,000	382	459	510	550	583	622	675
60,000	70,000	423	507	564	608	645	689	751
70,000	80,000	461	553	615	663	703	752	824
80,000	90,000	498	597	664	716	759	823	904
90,000	100,000	532	639	710	765	817	880	966
100,000	or more	566	678	754	813	862	935	1026
Arizona [2]								
$10,000	$10,000	157	174	184	192	198	207	
10,000	15,000	195	217	230	240	249	259	
15,000	20,000	233	259	275	287	299	310	
20,000	25,000	273	303	321	335	348	362	
25,000	30,000	308	342	362	378	393	409	
30,000	35,000	339	377	399	417	433	451	
35,000	40,000	370	411	435	455	473	492	
40,000	45,000	399	444	470	491	510	531	
45,000	50,000	427	475	503	526	546	569	
50,000	60,000	467	519	550	575	597	622	
60,000	70,000	516	574	608	636	660	688	
70,000	80,000	563	626	663	693	720	750	
80,000	90,000	607	675	715	748	776	809	
90,000	100,000	649	722	765	800	830	865	
100,000	or more	691	768	814	851	883	920	
Arkansas [1]								
$10,000	$10,000	151	181	201	217	230	249	267
10,000	15,000	184	220	244	263	279	301	322
15,000	20,000	214	256	284	307	326	352	377
20,000	25,000	244	292	324	350	372	401	430
25,000	30,000	272	326	361	390	414	447	479
30,000	35,000	298	357	396	427	454	490	525
35,000	40,000	323	386	428	462	490	529	567
40,000	45,000	347	415	460	497	528	569	610
45,000	50,000	370	442	490	529	562	606	650
50,000	60,000	407	487	540	583	620	668	716
60,000	70,000	459	549	609	657	699	753	807
70,000	80,000	507	607	673	726	772	832	891
80,000	90,000	552	661	733	791	841	906	971
90,000	100,000	595	712	790	852	906	976	1045
100,000	or more	636	761	844	911	968	1043	1117
California [2]								
$10,000	$10,000	187	187	256	310	318	329	
10,000	15,000	250	250	342	413	424	439	
15,000	20,000	313	313	428	516	530	549	
20,000	25,000	376	376	514	620	636	659	
25,000	30,000	439	439	600	724	743	769	
30,000	35,000	502	502	686	827	849	879	
35,000	40,000	565	565	772	931	955	989	
40,000	45,000	628	628	858	1034	1061	1099	
45,000	50,000	691	691	944	1138	1168	1209	
50,000	60,000	754	754	1030	1241	1274	1319	
60,000	70,000	817	817	1116	1345	1380	1429	
70,000	80,000	880	880	1202	1448	1486	1539	
80,000	90,000	943	943	1288	1552	1592	1649	
90,000	100,000	1006	1006	1374	1655	1698	1759	
100,000	or more	1069	1069	1460	1759	1805	1869	
Colorado [2]								
$10,000	$10,000	141	185	150	153	154	157	
10,000	15,000	178	186	191	194	197	200	
15,000	20,000	214	224	232	235	240	243	
20,000	25,000	250	262	272	276	283	286	
25,000	30,000	285	299	312	317	325	329	
30,000	35,000	320	337	352	358	367	372	
35,000	40,000	355	375	392	399	409	415	
40,000	45,000	390	413	432	440	451	458	
45,000	50,000	425	451	472	481	493	501	
50,000	60,000	460	489	512	522	535	544	
60,000	70,000	530	565	592	604	620	631	
70,000	80,000	600	641	672	686	705	718	
80,000	90,000	670	717	752	768	790	805	
90,000	100,000	740	793	832	850	875	892	
100,000	or more	810	869	912	932	960	979	
Connecticut [4]								
$10,000	$10,000	141	185	150	153	154	157	
10,000	15,000	178	186	191	194	197	200	
15,000	20,000	214	224	232	235	240	243	
20,000	25,000	250	262	272	276	283	286	
25,000	30,000	285	299	312	317	325	329	
30,000	35,000	320	337	352	358	367	372	
35,000	40,000	355	375	392	399	409	415	
40,000	45,000	390	413	432	440	451	458	
45,000	50,000	425	451	472	481	493	501	
50,000	60,000	460	489	512	522	535	544	
60,000	70,000	530	565	592	604	620	631	
70,000	80,000	600	641	672	686	705	718	
80,000	90,000	670	717	752	768	790	805	
90,000	100,000	740	793	832	850	875	892	
100,000	or more	810	869	912	932	960	979	
District of Columbia [1]								
$10,000	$10,000	175	197	174	184	192	198	207
10,000	15,000	155	183	201	215	227	234	247
15,000	20,000	193	227	256	268	283	304	287
20,000	25,000	227	268	295	316	333	356	376
25,000	30,000	259	308	337	360	380	409	431
30,000	35,000	289	341	375	400	424	456	479
35,000	40,000	318	374	412	441	465	500	526
40,000	45,000	345	406	447	479	505	543	571
45,000	50,000	371	437	481	515	543	584	615
50,000	60,000	408	481	529	567	598	643	676
60,000	70,000	455	535	588	632	666	717	755
70,000	80,000	498	586	644	690	732	787	828
80,000	90,000	542	639	703	753	794	854	899
90,000	100,000	583	687	756	810	854	919	967
100,000	or more	622	733	806	865	912	981	1032
Florida [1]								
$10,000	$10,000	136	158	176	191	203	221	238
10,000	15,000	170	198	220	239	254	276	298
15,000	20,000	197	217	230	240	249	259	270
20,000	25,000	227	250	265	277	288	299	311
25,000	30,000	256	282	299	312	325	337	351
30,000	35,000	284	313	332	347	361	375	390
35,000	40,000	311	343	364	380	396	411	428
40,000	45,000	338	373	396	413	430	446	465
45,000	50,000	364	402	426	445	463	480	500
50,000	60,000	400	442	469	489	509	528	550
60,000	70,000	453	500	530	553	576	597	622
70,000	80,000	502	554	588	613	638	662	689
80,000	90,000	548	605	642	669	697	722	752
90,000	100,000	592	654	693	723	753	780	813
100,000	or more	634	700	743	774	806	835	870
Georgia [1]								
$10,000	$10,000	158	176	191	203	211	220	230
10,000	15,000	198	220	239	254	265	276	289
15,000	20,000	236	263	285	303	316	329	345
20,000	25,000	273	305	330	351	366	381	399
25,000	30,000	309	345	374	397	414	431	452
30,000	35,000	343	383	415	441	460	479	502
35,000	40,000	376	420	455	483	504	525	550
40,000	45,000	408	456	494	525	547	570	597
45,000	50,000	439	490	531	564	588	613	642
50,000	60,000	487	544	589	626	652	680	712
60,000	70,000	561	626	678	720	751	782	820
70,000	80,000	628	701	759	806	841	876	918
80,000	90,000	691	771	835	887	925	964	1010
90,000	100,000	751	838	908	964	1006	1047	1098
100,000	or more	808	902	977	1037	1082	1127	1181
Hawaii								
$10,000	$10,000	238	258	277	291	302	318	349
10,000	15,000	286	309	330	347	360	379	417
15,000	20,000	329	356	380	400	415	437	481
20,000	25,000	369	399	426	448	465	490	539
25,000	30,000	406	439	469	493	512	539	593
30,000	35,000	441	477	509	536	556	586	644
35,000	40,000	474	513	547	576	598	630	693
40,000	45,000	506	547	584	614	638	672	739
45,000	50,000	536	580	619	651	676	712	783
50,000	60,000	585	633	675	711	738	777	855
60,000	70,000	661	715	763	803	834	878	966
70,000	80,000	728	788	841	885	919	967	1064
80,000	90,000	790	855	912	960	997	1049	1154
90,000	100,000	848	918	980	1031	1070	1126	1239
100,000	or more	902	976	1042	1096	1138	1198	1318
Idaho								
$10,000	$10,000	185	204	220	232	242	256	282
10,000	15,000	231	255	275	290	302	319	352
15,000	20,000	273	301	325	342	356	376	415
20,000	25,000	312	344	371	391	407	430	474
25,000	30,000	348	384	414	436	454	480	529
30,000	35,000	382	421	454	478	498	526	580
35,000	40,000	414	457	492	519	540	571	629
40,000	45,000	445	491	529	557	580	613	676
45,000	50,000	474	523	563	593	618	653	720
50,000	60,000	519	573	617	650	677	715	788
60,000	70,000	590	651	701	738	769	812	895
70,000	80,000	653	721	776	817	851	899	991
80,000	90,000	711	784	844	889	926	978	1078
90,000	100,000	764	843	907	955	995	1051	1158
100,000	or more	813	897	965	1016	1059	1118	1233
Illinois [5]								
$10,000	$10,000	148	166	179	189	197	208	229
10,000	15,000	188	208	224	236	246	259	286
15,000	20,000	223	246	265	279	291	307	339
20,000	25,000	254	280	302	318	332	350	386
25,000	30,000	283	313	337	355	370	391	431
30,000	35,000	311	343	370	390	406	428	473
35,000	40,000	337	372	401	422	440	465	513
40,000	45,000	363	400	431	454	473	499	551
45,000	50,000	386	426	459	484	504	532	587
50,000	60,000	423	467	503	530	552	583	643
60,000	70,000	482	532	573	604	629	664	732
70,000	80,000	533	588	633	667	695	733	809
80,000	90,000	579	639	688	725	755	797	879
90,000	100,000	623	687	740	779	812	857	945
100,000	or more	659	728	783	826	860	908	1001
Indiana								
$10,000	$10,000	189	191	206	217	225	238	134
10,000	15,000	238	238	253	267	277	293	167
15,000	20,000	284	284	299	315	328	346	198
20,000	25,000	329	329	345	364	379	400	229
25,000	30,000	372	372	390	411	428	452	258
30,000	35,000	413	413	433	457	476	502	287
35,000	40,000	453	453	475	501	522	551	315
40,000	45,000	491	491	515	543	566	597	341
45,000	50,000	528	528	554	584	609	642	367
50,000	60,000	586	586	615	648	676	713	407
60,000	70,000	671	671	704	742	774	816	466
70,000	80,000	746	746	783	825	860	907	518
80,000	90,000	814	814	854	900	939	990	565
90,000	100,000	875	875	918	968	1009	1064	608
100,000	or more	931	931	977	1030	1074	1132	646
Iowa [1]								
$10,000	$10,000	134	147	155	161	166	173	
10,000	15,000	167	183	193	201	207	215	
15,000	20,000	198	217	229	238	246	255	
20,000	25,000	229	251	265	275	284	295	
25,000	30,000	258	283	298	310	320	332	
30,000	35,000	286	314	331	344	355	369	
35,000	40,000	314	344	363	377	390	404	
40,000	45,000	340	373	393	409	422	438	
45,000	50,000	366	401	423	440	454	471	
50,000	60,000	406	445	469	488	503	522	
60,000	70,000	465	510	538	559	577	599	
70,000	80,000	517	567	598	622	642	666	
80,000	90,000	564	618	652	678	700	726	
90,000	100,000	607	666	702	730	754	782	
100,000	or more	646	708	747	776	802	831	
Kansas [1]								
$10,000	$10,000	127	132	136	139	144	148	
10,000	15,000	161	168	173	177	182	187	
15,000	20,000	194	202	208	213	219	225	
20,000	25,000	225	235	242	248	255	262	
25,000	30,000	255	266	274	281	289	297	
30,000	35,000	284	296	305	313	322	331	
35,000	40,000	312	325	335	344	354	364	
40,000	45,000	339	354	364	374	385	396	
45,000	50,000	366	381	393	403	415	427	
50,000	60,000	405	422	435	447	460	473	
60,000	70,000	464	484	499	512	527	542	
70,000	80,000	516	538	555	569	586	603	
80,000	90,000	563	587	605	621	639	657	
90,000	100,000	606	632	652	669	688	708	
100,000	or more	645	672	693	711	732	752	
Kentucky								
$10,000	$10,000	105	113	117	121	124	128	
10,000	15,000	133	143	148	154	158	163	
15,000	20,000	160	172	178	185	190	196	
20,000	25,000	185	199	206	214	220	227	
25,000	30,000	210	226	234	243	250	258	
30,000	35,000	234	252	261	271	279	288	
35,000	40,000	257	277	287	298	307	317	
40,000	45,000	280	301	312	324	334	345	
45,000	50,000	302	325	337	350	360	372	
50,000	60,000	335	360	373	388	399	413	
60,000	70,000	384	413	428	445	458	474	
70,000	80,000	427	459	476	495	509	527	
80,000	90,000	466	501	519	540	555	575	
90,000	100,000	502	539	559	581	598	619	
100,000	or more	534	574	595	618	636	658	
Louisiana [1]								
$10,000	$10,000	117	127	132	135	138	141	
10,000	15,000	149	162	168	173	177	181	
15,000	20,000	179	195	202	208	213	218	
20,000	25,000	208	226	234	241	247	253	
25,000	30,000	235	255	264	272	279	286	
30,000	35,000	261	283	293	302	309	317	
35,000	40,000	286	310	321	331	339	348	
40,000	45,000	310	336	348	359	368	378	
45,000	50,000	334	362	375	387	397	407	
50,000	60,000	370	401	416	429	440	452	
60,000	70,000	425	461	478	493	506	520	
70,000	80,000	472	512	531	548	562	578	
80,000	90,000	515	559	579	598	613	630	
90,000	100,000	555	602	624	643	660	679	
100,000	or more	590	641	664	685	703	723	
Maine [3]								
$10,000	$10,000	117	133	137	141	144	148	
10,000	15,000	154	176	182	187	193	198	
15,000	20,000	189	215	223	230	236	243	
20,000	25,000	221	252	261	269	277	285	
25,000	30,000	252	287	297	307	315	325	
30,000	35,000	281	320	332	342	351	362	
35,000	40,000	309	352	365	376	386	398	
40,000	45,000	336	383	397	409	420	433	
45,000	50,000	362	413	428	441	453	467	
50,000	60,000	401	457	474	488	501	517	
60,000	70,000	464	529	548	565	580	598	
70,000	80,000	519	591	613	631	648	668	
80,000	90,000	568	647	671	691	710	731	
90,000	100,000	612	697	723	744	764	788	
100,000	or more	651	742	769	792	814	839	
Maryland								
$10,000	$10,000	103	110	116	117	119	123	131
10,000	15,000	133	142	147	151	154	158	168
15,000	20,000	162	173	179	184	188	193	205
20,000	25,000	190	203	210	216	221	226	240
25,000	30,000	217	232	240	247	252	258	274
30,000	35,000	243	260	269	276	282	289	307
35,000	40,000	268	287	297	305	311	318	338
40,000	45,000	293	313	324	333	340	348	369
45,000	50,000	317	339	351	360	368	376	399
50,000	60,000	352	376	389	400	408	418	443
60,000	70,000	408	436	451	464	474	485	514
70,000	80,000	457	488	505	519	530	543	575
80,000	90,000	500	534	553	568	580	594	629
90,000	100,000	539	576	596	612	625	640	678
100,000	or more	574	613	634	652	665	681	721
Massachusetts [1]								
$10,000	$10,000	141	192	157	165	171	180	191
10,000	15,000	182	194	203	211	217	227	241
15,000	20,000	220	234	245	255	263	274	291
20,000	25,000	256	272	285	296	305	318	338
25,000	30,000	290	309	323	336	346	361	383
30,000	35,000	323	344	360	374	385	402	426
35,000	40,000	354	377	395	410	422	441	467
40,000	45,000	384	409	428	445	458	478	507
45,000	50,000	413	440	461	479	493	515	546
50,000	60,000	457	487	510	530	545	569	604
60,000	70,000	529	564	590	613	631	659	699
70,000	80,000	592	631	661	686	707	738	783
80,000	90,000	648	691	723	751	774	808	857
90,000	100,000	699	745	780	810	835	871	924
100,000	or more	744	793	830	862	888	927	983
Michigan								
$10,000	$10,000	129	132	135	138	141	143	147
10,000	15,000	167	171	175	179	182	186	191
15,000	20,000	203	208	213	218	222	227	233
20,000	25,000	238	244	250	256	261	267	274
25,000	30,000	271	278	285	292	298	305	313
30,000	35,000	303	311	319	327	333	341	350
35,000	40,000	334	343	352	360	367	376

1986 Optional State Sales Tax Tables—*Continued*

Income At least	But less than	Family size 1	2	3	4	5	Over 5
		Nebraska [1]					
$0	$10,000	102	112	119	125	129	135
10,000	15,000	126	140	148	155	161	167
15,000	20,000	157	174	185	193	199	209
20,000	25,000	186	206	218	228	235	248
25,000	30,000	212	235	249	260	269	281
30,000	35,000	237	262	278	290	300	314
35,000	40,000	260	288	305	319	330	345
40,000	45,000	282	312	332	346	358	374
45,000	50,000	304	336	357	373	385	403
50,000	60,000	334	371	393	410	421	444
60,000	70,000	373	414	439	458	473	495
70,000	80,000	410	454	482	503	520	544
80,000	90,000	446	494	524	547	565	591
90,000	100,000	479	531	564	588	608	636
100,000	or more	512	567	602	628	649	679
		Nevada [1]					
$0	$10,000	106	118	125	132	138	142
10,000	15,000	138	153	162	170	176	182
15,000	20,000	180	199	211	221	228	235
20,000	25,000	218	241	256	268	277	285
25,000	30,000	253	280	297	311	321	330
30,000	35,000	285	315	334	350	361	372
35,000	40,000	315	348	369	386	398	410
40,000	45,000	343	379	402	421	434	447
45,000	50,000	369	408	433	453	468	482
50,000	60,000	406	449	476	498	514	530
60,000	70,000	453	501	531	556	573	591
70,000	80,000	498	550	584	611	630	650
80,000	90,000	540	597	634	663	684	705
90,000	100,000	580	642	681	712	735	758
100,000	or more	620	686	728	762	786	810
		New Jersey					
$0	$10,000	196	232	255	274	288	310
10,000	15,000	240	283	312	336	352	379
15,000	20,000	295	348	383	412	433	466
20,000	25,000	347	409	450	484	508	547
25,000	30,000	396	467	514	553	580	625
30,000	35,000	443	523	575	619	650	699
35,000	40,000	488	576	634	682	716	771
40,000	45,000	531	627	690	742	779	839
45,000	50,000	573	676	744	800	840	904
50,000	60,000	647	763	840	903	948	1020
60,000	70,000	734	866	953	1025	1076	1158
70,000	80,000	815	962	1059	1139	1195	1287
80,000	90,000	892	1053	1159	1246	1308	1408
90,000	100,000	966	1140	1255	1349	1416	1525
100,000	or more	1037	1224	1347	1448	1520	1636
		New Mexico [1]					
$0	$10,000	124	136	143	148	153	159
10,000	15,000	156	170	179	186	192	200
15,000	20,000	196	215	226	235	242	252
20,000	25,000	233	255	269	279	288	299
25,000	30,000	268	293	309	321	330	344
30,000	35,000	301	329	347	360	371	386
35,000	40,000	332	363	383	398	409	426
40,000	45,000	362	396	418	434	446	465
45,000	50,000	391	428	451	468	482	502
50,000	60,000	432	473	499	518	533	555
60,000	70,000	485	531	560	581	598	623
70,000	80,000	536	586	618	642	661	687
80,000	90,000	583	638	673	699	719	749
90,000	100,000	628	688	725	753	775	807
100,000	or more	671	735	775	805	828	862
		New York [10]					
$0	$10,000	154	158	161	163	165	168
10,000	15,000	190	197	201	204	206	210
15,000	20,000	238	247	253	257	260	265
20,000	25,000	283	294	301	307	311	317
25,000	30,000	325	338	347	354	359	367
30,000	35,000	365	380	391	399	405	414
35,000	40,000	403	420	432	442	448	459
40,000	45,000	439	458	472	482	490	502
45,000	50,000	474	495	510	522	531	544
50,000	60,000	535	559	577	591	601	617
60,000	70,000	618	646	667	684	696	715
70,000	80,000	695	727	751	770	784	806
80,000	90,000	767	803	830	851	867	892
90,000	100,000	836	876	905	928	945	973
100,000	or more	902	946	978	1004	1023	1054
		North Carolina [11]					
$0	$10,000	167	177	184	189	193	199
10,000	15,000	206	218	226	232	237	244
15,000	20,000	252	267	277	285	291	300
20,000	25,000	295	313	325	334	342	352
25,000	30,000	335	356	369	380	388	400
30,000	35,000	373	396	411	423	432	445
35,000	40,000	409	434	451	464	474	489
40,000	45,000	443	471	489	503	514	530
45,000	50,000	476	506	525	541	553	570
50,000	60,000	535	569	591	608	622	641
60,000	70,000	615	654	679	699	715	737
70,000	80,000	688	732	760	782	800	825
80,000	90,000	756	804	835	859	879	906
90,000	100,000	820	872	906	932	953	983
100,000	or more	881	937	973	1001	1024	1056
		North Dakota [1]					
$0	$10,000	95	105	111	116	120	125
10,000	15,000	120	132	140	146	151	158
15,000	20,000	152	168	178	186	192	200
20,000	25,000	182	201	213	222	229	239
25,000	30,000	210	232	245	256	264	276
30,000	35,000	236	261	276	288	297	311
35,000	40,000	261	289	306	319	329	344
40,000	45,000	285	315	334	348	360	376
45,000	50,000	309	341	362	377	389	407
50,000	60,000	343	379	401	418	431	451
60,000	70,000	395	436	462	481	496	518
70,000	80,000	427	472	500	521	538	562
80,000	90,000	467	516	547	570	588	615
90,000	100,000	505	558	591	616	636	665
100,000	or more	542	599	635	662	683	714
		Ohio [1]					
$0	$10,000	119	128	133	137	141	145
10,000	15,000	151	162	169	175	179	184
15,000	20,000	193	207	215	223	228	234
20,000	25,000	232	249	260	268	274	283
25,000	30,000	268	288	301	310	317	327
30,000	35,000	303	325	340	350	358	370
35,000	40,000	336	361	377	388	397	410
40,000	45,000	368	395	413	425	435	450
45,000	50,000	398	428	448	461	472	488
50,000	60,000	447	480	502	517	530	548
60,000	70,000	516	554	580	597	612	633
70,000	80,000	580	623	652	671	688	711
80,000	90,000	640	688	719	741	759	785
90,000	100,000	697	749	784	807	827	855
100,000	or more	752	808	845	870	892	922
		Oklahoma [1]					
$0	$10,000	111	120	125	130	134	137
10,000	15,000	142	153	160	165	169	174
15,000	20,000	181	195	203	211	216	222
20,000	25,000	218	234	245	253	259	268
25,000	30,000	252	271	283	293	300	309
30,000	35,000	285	306	320	331	339	350
35,000	40,000	316	340	355	367	376	388
40,000	45,000	346	372	389	402	412	425
45,000	50,000	375	403	422	436	447	461
50,000	60,000	421	453	473	489	502	518
60,000	70,000	486	523	547	565	580	598
70,000	80,000	546	588	614	635	651	672
80,000	90,000	604	649	679	701	719	742
90,000	100,000	657	707	739	764	783	809
100,000	or more	709	763	797	824	845	872
		Pennsylvania					
$0	$10,000	109	114	117	119	121	123
10,000	15,000	139	145	149	152	154	158
15,000	20,000	177	185	190	194	197	202
20,000	25,000	212	222	228	233	237	242
25,000	30,000	245	256	263	269	274	280
30,000	35,000	276	289	297	304	309	316
35,000	40,000	305	320	329	336	342	350
40,000	45,000	333	349	359	367	373	382
45,000	50,000	360	377	388	397	404	413
50,000	60,000	406	426	438	448	456	467
60,000	70,000	469	492	506	518	527	540
70,000	80,000	527	553	569	582	593	607
80,000	90,000	580	609	627	642	653	669
90,000	100,000	630	661	681	696	709	726
100,000	or more	677	711	732	749	762	781
		Rhode Island					
$0	$10,000	127	131	134	136	138	140
10,000	15,000	161	167	171	174	176	179
15,000	20,000	203	211	216	220	223	227
20,000	25,000	242	252	258	263	267	272
25,000	30,000	279	290	297	303	308	314
30,000	35,000	314	327	335	342	347	355
35,000	40,000	347	362	371	378	384	393
40,000	45,000	379	395	405	413	419	429
45,000	50,000	409	427	438	447	454	464
50,000	60,000	461	482	494	504	512	524
60,000	70,000	533	557	571	583	592	606
70,000	80,000	599	626	642	655	666	681
80,000	90,000	659	689	707	721	733	750
90,000	100,000	715	748	767	783	795	814
100,000	or more	768	803	824	841	854	875
		South Carolina					
$0	$10,000	157	159	161	162	163	165
10,000	15,000	195	197	199	200	201	203
15,000	20,000	240	244	246	248	249	252
20,000	25,000	282	286	289	291	293	296
25,000	30,000	321	326	329	332	334	337
30,000	35,000	358	363	367	370	373	376
35,000	40,000	392	398	402	406	409	413
40,000	45,000	425	431	436	440	443	448
45,000	50,000	456	463	468	472	476	481
50,000	60,000	512	520	526	531	535	541
60,000	70,000	589	598	605	611	616	623
70,000	80,000	659	669	677	684	690	698
80,000	90,000	724	735	744	751	758	767
90,000	100,000	785	797	807	815	822	832
100,000	or more	843	856	866	875	882	893
		South Dakota [2]					
$0	$10,000	162	182	211	228	238	256
10,000	15,000	198	234	258	278	291	313
15,000	20,000	241	287	318	339	357	384
20,000	25,000	284	334	368	394	415	448
25,000	30,000	326	378	416	446	470	506
30,000	35,000	365	418	461	493	520	560
35,000	40,000	387	456	502	538	567	611
40,000	45,000	417	492	542	581	612	659
45,000	50,000	447	527	580	621	655	705
50,000	60,000	488	576	634	679	716	771
60,000	70,000	541	638	702	752	793	853
70,000	80,000	590	695	766	820	865	931
80,000	90,000	636	750	827	885	933	1004
90,000	100,000	681	803	884	947	999	1074
100,000	or more	724	853	940	1006	1061	1142
		Tennessee [1]					
$0	$10,000	177	190	199	205	210	217
10,000	15,000	227	245	256	264	270	278
15,000	20,000	293	316	330	341	349	361
20,000	25,000	355	383	400	413	423	437
25,000	30,000	414	446	466	481	493	510
30,000	35,000	470	507	530	547	560	579
35,000	40,000	525	566	591	610	625	646
40,000	45,000	577	622	650	671	687	710
45,000	50,000	628	677	708	730	748	773
50,000	60,000	703	758	792	817	836	865
60,000	70,000	798	861	899	928	950	982
70,000	80,000	890	960	1003	1035	1060	1096
80,000	90,000	980	1056	1103	1138	1166	1205
90,000	100,000	1066	1150	1201	1239	1269	1312
100,000	or more	1151	1241	1296	1337	1370	1416
		Texas [1]					
$0	$10,000	101	111	118	122	126	132
10,000	15,000	129	142	149	155	160	167
15,000	20,000	162	178	189	197	203	212
20,000	25,000	194	214	226	236	243	254
25,000	30,000	224	247	261	272	281	293
30,000	35,000	253	278	294	306	316	330
35,000	40,000	279	308	325	339	350	366
40,000	45,000	305	336	356	371	383	400
45,000	50,000	330	364	385	402	415	433
50,000	60,000	367	405	428	446	461	481
60,000	70,000	427	471	498	519	536	560
70,000	80,000	483	533	564	588	607	634
80,000	90,000	536	591	625	652	673	703
90,000	100,000	585	646	683	712	735	768
100,000	or more	632	698	738	770	794	830
		Utah [12]					
$0	$10,000	188	223	246	264	279	301
10,000	15,000	229	277	309	332	350	377
15,000	20,000	283	348	383	412	433	466
20,000	25,000	334	409	450	484	508	547
25,000	30,000	381	467	514	553	580	625
30,000	35,000	426	523	575	619	650	699
35,000	40,000	468	576	634	682	716	771
40,000	45,000	509	627	690	742	779	839
45,000	50,000	549	676	744	800	840	904
50,000	60,000	620	763	840	903	948	1020
60,000	70,000	704	866	953	1025	1076	1158
70,000	80,000	781	962	1059	1139	1195	1287
80,000	90,000	855	1053	1159	1246	1308	1408
90,000	100,000	926	1140	1255	1349	1416	1525
100,000	or more	994	1224	1347	1448	1520	1636
		Vermont					
$0	$10,000	56	65	71	76	80	85
10,000	15,000	71	83	91	97	102	109
15,000	20,000	91	106	116	124	130	140
20,000	25,000	110	128	140	149	157	168
25,000	30,000	127	148	162	173	182	195
30,000	35,000	144	168	184	196	206	220
35,000	40,000	160	186	204	218	229	245
40,000	45,000	175	205	224	239	251	269
45,000	50,000	189	221	242	258	272	291
50,000	60,000	212	247	270	288	303	325
60,000	70,000	247	287	314	335	352	377
70,000	80,000	278	324	354	378	397	425
80,000	90,000	305	356	389	415	436	467
90,000	100,000	330	384	420	448	471	504
100,000	or more	353	411	449	479	503	539
		Virginia [13]					
$0	$10,000	122	147	164	177	186	204
10,000	15,000	149	179	200	216	229	249
15,000	20,000	182	219	244	264	280	304
20,000	25,000	214	257	286	309	325	353
25,000	30,000	243	293	326	352	370	402
30,000	35,000	272	327	364	393	413	449
35,000	40,000	298	359	399	431	453	492
40,000	45,000	324	389	433	468	492	534
45,000	50,000	348	419	466	503	529	574
50,000	60,000	390	469	522	564	593	643
60,000	70,000	454	546	607	656	690	748
70,000	80,000	512	615	685	740	778	844
80,000	90,000	565	679	755	816	858	931
90,000	100,000	614	738	821	887	933	1012
100,000	or more	659	792	881	952	1001	1086
		Washington [14]					
$0	$10,000	177	190	199	205	210	217
10,000	15,000	227	245	256	264	270	278
15,000	20,000	293	316	330	341	349	361
20,000	25,000	355	383	400	413	423	437
25,000	30,000	414	446	466	481	493	510
30,000	35,000	470	507	530	547	560	579
35,000	40,000	525	566	591	610	625	646
40,000	45,000	577	622	650	671	687	710
45,000	50,000	628	677	708	730	748	773
50,000	60,000	703	758	792	817	836	865
60,000	70,000	798	861	899	928	950	982
70,000	80,000	890	960	1003	1035	1060	1096
80,000	90,000	980	1056	1103	1138	1166	1205
90,000	100,000	1066	1150	1201	1239	1269	1312
100,000	or more	1151	1241	1296	1337	1370	1416
		West Virginia					
$0	$10,000	152	166	175	178	183	189
10,000	15,000	197	217	229	237	244	253
15,000	20,000	251	278	295	307	317	330
20,000	25,000	303	336	357	373	385	402
25,000	30,000	353	392	417	436	451	471
30,000	35,000	401	446	475	497	514	538
35,000	40,000	447	498	531	557	576	604
40,000	45,000	492	548	585	614	635	666
45,000	50,000	535	597	638	670	694	728
50,000	60,000	615	687	735	773	801	841
60,000	70,000	739	826	885	933	968	1016
70,000	80,000	850	951	1019	1074	1115	1171
80,000	90,000	952	1066	1143	1206	1252	1316
90,000	100,000	1047	1173	1258	1328	1379	1450
100,000	or more	1137	1274	1367	1443	1498	1575
		Wisconsin [15]					
$0	$10,000	142	151	156	159	162	167
10,000	15,000	186	197	203	207	210	215
15,000	20,000	236	244	252	258	263	269
20,000	25,000	283	292	301	309	315	323
25,000	30,000	328	338	348	356	364	373
30,000	35,000	369	381	394	403	411	421
35,000	40,000	409	423	437	448	456	467
40,000	45,000	447	463	478	490	499	512
45,000	50,000	484	501	518	531	541	554
50,000	60,000	537	556	574	588	601	616
60,000	70,000	618	640	661	678	692	709
70,000	80,000	694	718	742	761	776	795
80,000	90,000	765	793	819	840	856	877
90,000	100,000	832	862	890	913	931	954
100,000	or more	895	927	958	982	1001	1026

[1] Local sales taxes are not included. Add an amount based on the ratio between the local and state sales tax rates, considering the number of months each rate has been in effect.

[2] Local sales taxes are not included. Add the amount paid.

[3] The 1¼ percent local sales tax is included. If a ½ of 1 percent local sales tax for transportation is paid all year (Alameda, Contra Costa, Los Angeles, San Francisco, San Mateo, and Santa Cruz Counties), add 8 percent of the table amounts. For Santa Clara County, add 17 percent of the table amounts.

[4] Sales tax paid on any item of clothing costing $75 or more may be added to the table amounts.

[5] Sales tax paid on electricity and natural gas is not included. Sales tax paid on these items may be added to the table amounts only if it is paid at the general sales tax rate. The Illinois table is based on a combined 6 percent rate (5 state, 1 local). Residents of Du Page, Kane, Lake, McHenry, and Will counties may add 5 percent. Cook County may add 19 percent. Chicago may add an additional 19 percent of the table amount. For other local sales taxes, see footnote 1.

[6] If your local sales tax applies to food for home consumption, check your local newspaper during mid-January for the correct deduction. Otherwise, see footnote 1.

[7] Sales tax paid on 750 KWH or more of electricity per month may be added to the table amounts.

[8] Sales tax paid on any item of clothing costing $175 or more may be added to the table amounts.

[9] Sales tax paid on purchases of natural gas or electricity may be added to the table amounts. For local sales tax, see footnote 1.

[10] Local sales taxes are not included. If paid all year, add 26 percent of the table amount for each 1 percent of local sales tax rate. Otherwise, use a proportionate amount. For New York City, add 107 percent of the table amount.

[11] The North Carolina table is based on a combined 4½ percent rate (3 state, 1½ local). If the ½ of 1 percent local sales tax is not paid, subtract 10 percent of the table amount.

[12] The Utah table is based on a 5½ percent combined state and local rate. If the ½ percent county sales tax for transportation is paid all year, add 5 percent of the table amount. Otherwise, see footnote 1.

[13] Local 1 percent sales tax is included.

[14] The Washington table is based on a combined 7 percent rate (6 5 state, 0 5 local). For local sales tax in addition to the ½ of 1 percent included in the table, see footnote 1.

[15] Sales tax paid on the purchase of natural gas or electricity (May through October) may be added to the table amounts. For local sales tax, see footnote 1.

To Call Tele-Tax Toll-Free, Use Only The Numbers Listed Below For Your Area

Recorded Tax Information has about 150 topics of tax information that answer many Federal tax questions and a topic for local information such as the location of VITA and TCE sites. You can hear up to three topics on each call you make.

Automated Refund Information is available after March 15. If it has been 10 weeks since you mailed your 1986 tax return, we will be able to check the status of your refund.

Long-distance charges apply if you call from outside the local dialing area of the numbers listed below. **Do not dial 800 when using a local number.** A complete list of these topics and instructions on how to use Tele-Tax are on the next page.

Note: *Cities with a 1 before them have only Recorded Tax Information and can only be called if you have a push-button (tone signalling) phone. Cities with a 2 before them have Recorded Tax Information, including topic 999 for local information, and Automated Refund Information and can be called by using any type of phone.*

ALABAMA
1 Birmingham, 251-9454
1 Huntsville, 534-5203
1 Mobile, 433-6993
1 Montgomery, 262-8304

ALASKA
1 Anchorage, 562-1848

ARIZONA
2 Phoenix, 252-4909

ARKANSAS
1 Little Rock, 372-3891

CALIFORNIA
1 Bakersfield, 861-4105
1 Carson, 632-3555
2 Counties of Amador, Calaveras, Contra Costa, Marin, and San Joaquin, 1 800-428-4032
2 Los Angeles, 617-3177
2 Oakland, 839-4245
1 Oxnard, 485-7236
1 Riverside, 351-6769
1 Sacramento, 448-4367
1 San Diego, 293-5020
1 San Jose, 293-5606
1 Santa Ana, 836-2974
1 Santa Maria, 928-7503
1 Santa Rosa, 528-6233
1 Stockton, 463-6005
1 Visalia, 733-8194

COLORADO
1 Colorado Springs, 597-6344
2 Denver, 592-1118
1 Ft. Collins, 221-0658

CONNECTICUT
1 Bridgeport, 335-0070
1 Hartford, 547-0015
1 New Haven, 777-4594
1 Waterbury, 754-4235

DELAWARE
1 Dover, 674-1118
1 Wilmington, 652-0272

DISTRICT of COLUMBIA
2 Call 628-2929

FLORIDA
1 Daytona Beach, 253-0669
1 Ft. Lauderdale, 523-3100
2 Jacksonville, 353-9579
1 Miami, 374-5144
1 Orlando, 422-0499
2 St. Petersburg, 578-0424
1 Tallahassee, 222-0807
1 Tampa, 229-0815
1 West Palm Beach, 655-1996

GEORGIA
1 Albany, 435-1415
2 Atlanta, 331-6572
1 Augusta, 722-9068
1 Columbus, 327-0298
1 Macon, 745-2890
1 Savannah, 355-9632

HAWAII
1 Honolulu, 541-1185

IDAHO
2 Call 1-800-554-4477

ILLINOIS
1 Aurora, 851-2718
1 Bloomington, 828-6116
1 Champaign, 398-1779
2 Chicago, 886-9614
1 East St. Louis, 875-4050
1 Ottawa, 433-1568
1 Peoria, 637-9305
1 Quad Cities, 326-1720
1 Rockford, 987-4280
1 Springfield, 789-0489

INDIANA
1 Evansville, 422-1026
1 Fort Wayne, 484-3065
1 Gary, 884-4465
2 Indianapolis, 634-1550
1 South Bend, 232-5459

IOWA
1 Cedar Rapids, 399-2210
1 Des Moines, 284-4271
1 Quad Cities, 326-1720
1 Waterloo, 234-0817

KANSAS
1 Wichita, 264-3147

KENTUCKY
1 Erlanger, 727-3338
1 Lexington, 233-2889
1 Louisville, 582-5599

LOUISIANA
1 New Orleans, 529-2854

MAINE
1 Portland, 775-0465

MARYLAND
2 Baltimore, 244-7306
1 Cumberland, 722-5331
1 Frederick, 663-5798
1 Hagerstown, 733-6815
1 Salisbury, 742-9458

MASSACHUSETTS
2 Boston, 523-8602
1 Springfield, 739-6624

MICHIGAN
1 Ann Arbor, 665-4544
2 Detroit, 961-4282
1 Flint, 238-4599
1 Grand Rapids, 451-2034
1 Kalamazoo, 343-0255
1 Lansing, 372-2454
1 Mt. Clemens, 463-9550
1 Pontiac, 858-2336
1 Saginaw, 753-9911

MINNESOTA
1 Duluth, 722-5494
1 Rochester, 288-5595
2 St. Paul, 224-4288

MISSISSIPPI
1 Gulfport, 863-3302
1 Jackson, 965-4168

MISSOURI
1 Jefferson City, 636-8312
1 Kansas City, 421-3741
1 Springfield, 883-3419
2 St. Louis, 241-4700

MONTANA
1 Billings, 656-1422
1 Great Falls, 727-4902
1 Helena, 443-7034

NEBRASKA
1 Lincoln, 471-5450
1 Omaha, 221-3324

NEVADA
2 Call 1-800-554-4477

NEW HAMPSHIRE
1 Manchester, 623-5778
1 Portsmouth, 431-0637

NEW JERSEY
1 Atlantic City, 348-2636
1 Camden, 966-3412
1 Hackensack, 487-1817
2 Newark, 624-1223
1 Paterson, 278-5442
1 Trenton, 599-2150

NEW MEXICO
1 Albuquerque, 766-1102

NEW YORK
1 Albany, 465-8318
1 Binghamton, 722-8426
2 Brooklyn, 858-4461
2 Buffalo, 856-9320
2 Manhattan, 406-4080
1 Mineola, 248-6790
1 Poughkeepsie, 452-1877
1 Rochester, 454-3330
1 Smithtown, 979-0720
2 Staten Island, 406-4080
1 Syracuse, 471-1630
1 White Plains, 683-0134

NORTH CAROLINA
1 Asheville, 254-3044
1 Charlotte, 567-9885
1 Durham, 541-5283
1 Fayetteville, 483-0735
1 Greensboro, 378-1572
1 Raleigh, 755-1498
1 Winston Salem, 725-3013

How To Use Tele-Tax

Recorded Tax Information

1. Select, by number, the topic you wish to hear.
2. Have paper and pencil handy to take notes.
3. Call the appropriate phone number.
4. • If you have a push-button (tone signalling) phone, follow the recorded instructions, or.
   • If you have a rotary (dial) or push-button (pulse dial) phone, ask the IRS operator for the topic number you want to hear.
5. • Push-button (tone signalling) service is available 24 hours a day, 7 days a week.
   • Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Automated Refund Information

1. Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact amount of your refund.
2. Call the appropriate phone number.
3. Follow the recorded instructions.
4. • Push-button (tone signalling) service is available Monday through Friday from 6:30 A.M. to 6 P.M. (Hours may vary in your area.)
   • Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Tele-Tax Topic Numbers and Subjects

Topic No.	Subject
	IRS Procedures and Services
100	IRS help available—Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
101	Tax assistance for handicapped individuals and the deaf
102	Small business tax workshops—Tax help for the new business person
103	Problem resolution program—Special help for problem situations
104	Public libraries—Tax information tapes and reproducible tax forms
105	Examination procedures and how to prepare for an audit
106	The collection process
107	Tax fraud—How to report
108	Special enrollment examination to practice before IRS
109	Organizations—How to apply for exempt status
999	Local Information
	Filing Requirements, Filing Status, Exemptions
110	Who must file?
111	Which form—1040, 1040A, or 1040EZ?
112	When, where, and how to file
113	Filing requirements for a dependent child
114	Filing as single
115	Filing joint or separate
116	Filing as head of household
117	Filing as qualifying widow/widower
118	Filing status for separated individuals
119	Exemptions for age and blindness
120	Dependent—Who can be claimed?
121	Dependent child—Divorced or separated parents
122	Dependent—Items to include in determining support
126	Estimated tax
127	Amended returns
128	Decedents
	Types of Income
130	Wages and salaries
131	Tips
132	Interest received
133	Dividends and dividend exclusion
134	Refund of state and local taxes
135	Alimony received
136	Business income
137	Sole proprietorship
138	Capital gains and losses
139	Pensions and annuities
140	Pensions—The general rule
141	Lump-sum distributions—Profit-sharing plans
143	Rental income and expenses
200	Renting vacation property/Renting to relatives
201	Royalties
202	Farming and fishing income
203	Earnings for clergy members
204	Unemployment compensation
205	Gambling income and expenses
206	Bartering income
207	Scholarships, fellowships, and grants
208	Nontaxable income
209	Social security and tier 1 railroad retirement taxability
210	Social Security Benefit Statement—Form SSA-1099
	Adjustments to Income
211	Charitable contributions deduction for those who do not itemize
212	Deduction for married couples when both work
213	Moving expenses
214	Employee business expenses
215	Business use of car
216	Business travel expenses
217	Business entertainment expenses
218	Individual retirement arrangements (IRA's)
219	Alimony paid
225	Bad debt deduction
226	Tax shelters
	Itemized Deductions
227	Should I itemize?
228	Medical and dental expenses
229	Medical insurance
231	Taxes
232	Sales tax
233	Interest expense
234	Contributions
235	Casualty losses
236	Miscellaneous expenses
237	Business use of your home
238	Educational expenses
	Tax Computation
240	Tax table/Tax rate schedules
243	Tax and credits figured by IRS
244	Income averaging
300	Self-employment tax
301	Ten-year averaging for lump-sum distributions
303	Alternative minimum tax
304	Gift tax
305	Estate tax
	Tax Credits
306	Child care credit
307	Earned income credit
308	Residential energy credit
309	Credit for the elderly or for the permanently and totally disabled
310	Tax credit for contributions to candidates for public office
311	Investment credit
312	Qualified royalty owners exemption (windfall profit tax)
	General Information
314	Substitute tax forms
315	Highlights of 1986 tax changes
316	Refunds—How long they should take
317	Copy of your tax return—How to get one
318	Forms/Publications—How to order
319	Tax shelter registration
320	Extensions for time to file your tax return
325	Form W-2—What to do if not received
326	Highlights of the Tax Reform Act
327	IRS notices and bills, Penalty and interest charges
328	Tax benefits for low income Americans
329	Penalty for underpayment of estimated tax—Form 2210
330	Recordkeeping
331	How to choose a tax preparer
332	Audit appeal rights
333	Failure to pay child/spousal support and other Federal obligations
335	Withholding on interest and dividends
336	Highway use tax
337	Checklist/Common errors when preparing your tax return
338	Withholding on pensions and annuities
339	Your tax form is overdue—Let us hear from you
340	Second request for information about your tax form
341	Notice of intent to levy
342	Notice of underreported income—CP2000
	Basis of Assets, Depreciation, Sale of Assets
343	Sale of personal residence—General
344	Sale of personal residence—How to report gain
400	Sale of personal residence—Exclusion of gain, age 55 and over
401	Basis of assets
402	Depreciation—General
403	Depreciation—Accelerated cost recovery system
404	Installment sales
	Employer Tax Information
406	Social security withholding rates
407	Form W-2—Where, when and how to file
408	Form W-4—Employee's Withholding Allowance Certificate
409	Federal tax deposits—General
410	Employer identification number—How to apply
412	Form 942—Employer's Quarterly Tax Return for Household Employees
413	Form 941—Deposit requirements
414	Form 941—Employer's Quarterly Federal Tax Return
415	Form 940—Deposit requirements
416	Form 940—Employer's Annual Federal Unemployment Tax Return
417	Targeted jobs credit
418	Tips—Withholding and reporting
	Tax Information for Aliens and U.S. Citizens Living Abroad
420	Resident and nonresident aliens
425	Dual-status alien
426	Alien tax clearance
428	Foreign earned income exclusion—General
429	Foreign earned income exclusion—Who qualifies?
430	Foreign earned income exclusion—What income qualifies?
431	Foreign tax credit
	The following topics are in Spanish
433	Who must file?
434	Which form to use?
435	Filing status—Single, married filing jointly, and married filing separately
436	Filing status—Head of household and qualifying widow/widower
437	Earned income credit
438	Highlights of 1986 tax changes
439	Forms and publications—How to order
440	Alien tax clearance
441	Refunds—How long they should take
442	IRS help available—Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
443	Social security and tier 1 railroad retirement taxability
444	Social Security Benefit Statement—Form SSA-1099

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you our legal right to ask for the information, what major purposes we have in asking for it and how it will be used, what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, the laws include tax returns and any papers filed with them and any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

1986 Earned Income Credit Table

Caution: This Is Not a Tax Table

To find your earned income credit: Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 16. Read across to the right and find the amount of the earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is—		Your earned income credit is—
Over	But not over	
$0	$50	$3
50	100	8
100	150	14
150	200	19
200	250	25
250	300	30
300	350	36
350	400	41
400	450	47
450	500	52
500	550	58
550	600	63
600	650	69
650	700	74
700	750	80
750	800	85
800	850	91
850	900	96
900	950	102
950	1,000	107
1,000	1,050	113
1,050	1,100	118
1,100	1,150	124
1,150	1,200	129
1,200	1,250	135
1,250	1,300	140
1,300	1,350	146
1,350	1,400	151
1,400	1,450	157
1,450	1,500	162
1,500	1,550	168
1,550	1,600	173
1,600	1,650	179
1,650	1,700	184
1,700	1,750	190
1,750	1,800	195
1,800	1,850	201
1,850	1,900	206
1,900	1,950	212
1,950	2,000	217
$2,000	$2,050	$223
2,050	2,100	228
2,100	2,150	234
2,150	2,200	239
2,200	2,250	245
2,250	2,300	250
2,300	2,350	256
2,350	2,400	261
2,400	2,450	267
2,450	2,500	272
2,500	2,550	278
2,550	2,600	283
2,600	2,650	289
2,650	2,700	294
2,700	2,750	300
2,750	2,800	305
2,800	2,850	311
2,850	2,900	316
2,900	2,950	322
2,950	3,000	327
3,000	3,050	333
3,050	3,100	338
3,100	3,150	344
3,150	3,200	349
3,200	3,250	355
3,250	3,300	360
3,300	3,350	366
3,350	3,400	371
3,400	3,450	377
3,450	3,500	382
3,500	3,550	388
3,550	3,600	393
3,600	3,650	399
3,650	3,700	404
3,700	3,750	410
3,750	3,800	415
3,800	3,850	421
3,850	3,900	426
3,900	3,950	432
3,950	4,000	437
$4,000	$4,050	$443
4,050	4,100	448
4,100	4,150	454
4,150	4,200	459
4,200	4,250	465
4,250	4,300	470
4,300	4,350	476
4,350	4,400	481
4,400	4,450	487
4,450	4,500	492
4,500	4,550	498
4,550	4,600	503
4,600	4,650	509
4,650	4,700	514
4,700	4,750	520
4,750	4,800	525
4,800	4,850	531
4,850	4,900	536
4,900	4,950	542
4,950	5,000	547
5,000	6,500	550
6,500	6,550	547
6,550	6,600	541
6,600	6,650	535
6,650	6,700	529
6,700	6,750	523
6,750	6,800	516
6,800	6,850	510
6,850	6,900	504
6,900	6,950	498
6,950	7,000	492
7,000	7,050	486
7,050	7,100	480
7,100	7,150	474
7,150	7,200	468
7,200	7,250	461
7,250	7,300	455
7,300	7,350	449
7,350	7,400	443
7,400	7,450	437
$7,450	$7,500	$431
7,500	7,550	425
7,550	7,600	419
7,600	7,650	413
7,650	7,700	406
7,700	7,750	400
7,750	7,800	394
7,800	7,850	388
7,850	7,900	382
7,900	7,950	376
7,950	8,000	370
8,000	8,050	364
8,050	8,100	358
8,100	8,150	351
8,150	8,200	345
8,200	8,250	339
8,250	8,300	333
8,300	8,350	327
8,350	8,400	321
8,400	8,450	315
8,450	8,500	309
8,500	8,550	303
8,550	8,600	296
8,600	8,650	290
8,650	8,700	284
8,700	8,750	278
8,750	8,800	272
8,800	8,850	266
8,850	8,900	260
8,900	8,950	254
8,950	9,000	248
9,000	9,050	241
9,050	9,100	235
9,100	9,150	229
9,150	9,200	223
9,200	9,250	217
9,250	9,300	211
9,300	9,350	205
9,350	9,400	199
9,400	9,450	193
$9,450	$9,500	$186
9,500	9,550	180
9,550	9,600	174
9,600	9,650	168
9,650	9,700	162
9,700	9,750	156
9,750	9,800	150
9,800	9,850	144
9,850	9,900	138
9,900	9,950	131
9,950	10,000	125
10,000	10,050	119
10,050	10,100	113
10,100	10,150	107
10,150	10,200	101
10,200	10,250	95
10,250	10,300	89
10,300	10,350	83
10,350	10,400	76
10,400	10,450	70
10,450	10,500	64
10,500	10,550	58
10,550	10,600	52
10,600	10,650	46
10,650	10,700	40
10,700	10,750	34
10,750	10,800	28
10,800	10,850	21
10,850	10,900	15
10,900	10,950	9
10,950	10,999	3

$11,000 or more—you cannot take the credit

To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area.

Caution: *"Toll free" is a telephone call for which you pay only local charges with no long distance charge. Please use a local city number only if it is not a long distance call for you.* ***Do not dial 800 when using a local city number.*** Otherwise, use the general toll-free number given.

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

To make sure that IRS employees give courteous responses and correct information to taxpayers, a second IRS employee sometimes listens in on telephone calls. No record is kept of any taxpayer's name, address, or social security number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

The IRS has a telephone service called Tele-Tax. It provides automated refund information and recorded tax information on about 150 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push-button (tone signalling) telephones, and Monday through Friday, during office hours, to taxpayers using push-button (pulse dial) or rotary (dial) phones. See Tele-Tax information in the index for the page numbers that contain telephone numbers, available topics, and instructions describing how to use this service.

ALABAMA
Call 1-800-424-1040

ALASKA
Anchorage, 561-7484
Elsewhere in Alaska, call 1-800-478-1040

ARIZONA
Phoenix, 257-1233

ARKANSAS
Call 1-800-424-1040

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance.

COLORADO
Denver, 825-7041

CONNECTICUT
Call 1-800-424-1040

DELAWARE
Call 1-800-424-1040

DISTRICT of COLUMBIA
Call 488-3100

FLORIDA
Jacksonville, 354-1760

GEORGIA
Atlanta, 522-0050

HAWAII
Oahu, 541-1040
All other islands, 1-800-232-2511

IDAHO
Call 1-800-424-1040

ILLINOIS
Chicago, 435-1040

INDIANA
Indianapolis, 269-5477

IOWA
Des Moines, 283-0523

KANSAS
Call 1-800-424-1040

KENTUCKY
Call 1-800-424-1040

LOUISIANA
Call 1-800-424-1040

MAINE
Call 1-800-424-1040

MARYLAND
Baltimore, 962-2590
Montgomery County, 488-3100
Prince George's County, 488-3100

MASSACHUSETTS
Boston, 523-1040

MICHIGAN
Detroit, 237-0800

MINNESOTA
Minneapolis, 291-1422
St. Paul, 291-1422

MISSISSIPPI
Call 1-800-424-1040

MISSOURI
St. Louis, 342-1040

MONTANA
Call 1-800-424-1040

NEBRASKA
Omaha, 422-1500

NEVADA
Call 1-800-424-1040

NEW HAMPSHIRE
Call 1-800-424-1040

NEW JERSEY
Newark, 622-0600

NEW MEXICO
Call 1-800-424-1040

NEW YORK
Bronx, 732-0100
Brooklyn, 596-3770
Buffalo, 855-3955
Manhattan, 732-0100
Nassau, 222-1131
Queens, 596-3770
Rockland County, 997-1510
Staten Island, 732-0100
Suffolk, 724-5000
Westchester County, 997-1510

NORTH CAROLINA
Call 1-800-424-1040

NORTH DAKOTA
Call 1-800-424-1040

OHIO
Cincinnati, 621-6281
Cleveland, 522-3000

OKLAHOMA
Call 1-800-424-1040

OREGON
Eugene, 485-8286
Portland, 221-3960
Salem, 581-8721

PENNSYLVANIA
Philadelphia, 574-9900
Pittsburgh, 281-0112

PUERTO RICO
San Juan Metro Area, 753-4040
Isla DDO, 753-4549

RHODE ISLAND
Call 1-800-424-1040

SOUTH CAROLINA
Call 1-800-424-1040

SOUTH DAKOTA
Call 1-800-424-1040

TENNESSEE
Nashville, 259-4601

TEXAS
Austin, 472-1974
Corpus Christi, 888-9431
Dallas, 742-2440
El Paso, 532-6116
Ft. Worth, 263-9229
Houston, 965-0440
San Antonio, 229-1700

UTAH
Call 1-800-424-1040

VERMONT
Call 1-800-424-1040

VIRGINIA
Bailey's Crossroads, 557-9230
Richmond, 649-2361

WASHINGTON
Seattle, 442-1040

WEST VIRGINIA
Call 1-800-424-1040

WISCONSIN
Milwaukee, 271-3780

WYOMING
Call 1-800-424-1040

Note: *If there is no number listed for your specific area, please call 1-800-424-1040.*

Telephone Assistance Services for Deaf Taxpayers Who Have Access to TV / Telephone — TTY Equipment

Hours of Operation
8:00 A.M. to 6:45 P.M. EST (Filing Season)
8:00 A.M. to 4:30 P.M. EST (Nonfiling Season)

Indiana residents
1-800-382-4059

Elsewhere in U.S. (including Alaska, Hawaii, Virgin Islands, and Puerto Rico)
1-800-428-4732

Toll-Free "Forms Only" Telephone Numbers

If you only need to order tax forms and publications and do not have any tax questions, call the number listed below for your area.

ALASKA
Anchorage, 563-5313
Elsewhere in Alaska, call 1-800-478-1040

ARIZONA
Phoenix, 257-1233
Tucson, 882-0730

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Forms.

COLORADO
Denver, 825-7041

HAWAII
Honolulu, 541-1180
All other islands, 1-800-232-2511

ILLINOIS
Bloomington, 662-2515

OREGON
Eugene, 485-8286
Portland, 221-3933
Salem, 581-8721

PUERTO RICO
San Juan Metro Area, 753-4040
Isla DDO, 753-4549

VIRGINIA
Richmond, 329-1052

WASHINGTON
Seattle, 442-5100

Note: *If there is no number listed for your state or specific area, call 1-800-424-FORM (3676).*

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than $400; for dividends and other distributions on stock if more than $400; and for answering the Foreign Accounts or Foreign Trusts Questions

Schedule W for the deduction for a married couple when both work

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:

Schedule C, Profit or (Loss) From Business or Profession

Schedule D, Capital Gains and Losses and Reconciliation of Forms 1099-B

Schedule E, Supplemental Income Schedule

Schedule F, Farm Income and Expenses

Schedule G, Income Averaging

Schedule R, Credit for the Elderly or for the Permanently and Totally Disabled

Schedule SE, Computation of Social Security Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale or Exchange of Principal Residence

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2441, Credit for Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4136, Computation of Credit for Federal Tax on Gasoline and Special Fuels

Form 4562, Depreciation and Amortization

Form 4684, Casualties and Thefts

Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 5695, Residential Energy Credit Carryforward

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

17 Your Federal Income Tax
54 Tax Guide for U.S. Citizens and Resident Aliens Abroad
334 Tax Guide for Small Business
463 Travel, Entertainment, and Gift Expenses
501 Exemptions
502 Medical and Dental Expenses
503 Child and Dependent Care Credit, and Employment Taxes for Household Employers
504 Tax Information for Divorced or Separated Individuals
505 Tax Withholding and Estimated Tax
506 Income Averaging
508 Educational Expenses
521 Moving Expenses
523 Tax Information on Selling Your Home
524 Credit for the Elderly or for the Permanently and Totally Disabled
525 Taxable and Nontaxable Income
526 Charitable Contributions
527 Rental Property
529 Miscellaneous Deductions
530 Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments
531 Reporting Income From Tips
533 Self-Employment Tax
545 Interest Expense
547 Nonbusiness Disasters, Casualties, and Thefts
550 Investment Income and Expenses
552 Recordkeeping for Individuals and a List of Tax Publications
553 Highlights of 1986 Tax Changes
554 Tax Information for Older Americans
575 Pension and Annuity Income
583 Information for Business Taxpayers
587 Business Use of Your Home
590 Individual Retirement Arrangements (IRAs)
596 Earned Income Credit
905 Tax Information on Unemployment Compensation
907 Tax Information for Handicapped and Disabled Individuals
910 Guide to Free Tax Services
915 Social Security Benefits and Equivalent Railroad Retirement Benefits
917 Business Use of a Car

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state.

Where To Send Your Order for Free Forms and Publications

Please send your order to the "Forms Distribution Center" for your state.

Alabama—P.O. Box 25866, Richmond, VA 23260
Alaska—P.O. Box 12626, Fresno, CA 93778
Arizona—P.O. Box 12626, Fresno, CA 93778
Arkansas—P.O. Box 25866, Richmond, VA 23260
California—P.O. Box 12626, Fresno, CA 93778
Colorado—P.O. Box 12626, Fresno, CA 93778
Connecticut—P.O. Box 25866, Richmond, VA 23260
Delaware—P.O. Box 25866, Richmond, VA 23260
District of Columbia—P.O. Box 25866, Richmond, VA 23260
Florida—P.O. Box 25866, Richmond, VA 23260
Georgia—P.O. Box 25866, Richmond, VA 23260
Hawaii—P.O. Box 12626, Fresno, CA 93778
Idaho—P.O. Box 12626, Fresno, CA 93778
Illinois—P.O. Box 9903, Bloomington, IL 61799
Indiana—P.O. Box 9903, Bloomington, IL 61799
Iowa—P.O. Box 9903, Bloomington, IL 61799
Kansas—P.O. Box 9903, Bloomington, IL 61799
Kentucky—P.O. Box 9903, Bloomington, IL 61799
Louisiana—P.O. Box 25866, Richmond, VA 23260
Maine—P.O. Box 25866, Richmond, VA 23260
Maryland—P.O. Box 25866, Richmond, VA 23260
Massachusetts—P.O. Box 25866, Richmond, VA 23260
Michigan—P.O. Box 9903, Bloomington, IL 61799
Minnesota—P.O. Box 9903, Bloomington, IL 61799
Mississippi—P.O. Box 25866, Richmond, VA 23260
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Order Blank—The forms, instructions, and publications listed here are available at no cost. We will send you 2 copies of each form and 1 copy of each set of instructions or publication you circle. Please cut the order blank on the dotted line and **be sure to print or type your name and address accurately on the other side.** This will be the label used to return material to you. Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your state. To help reduce waste, please order only the forms and publications you think you will need to prepare your return. Attach a separate sheet of paper listing the additional forms and other publications you may need that are not listed on the order blank. Be sure to allow 10 days to receive your order.

Circle Desired Forms, Instructions, and Publications		Schedule G (1040)	2119	4136	4868	Pub 504	Pub 529
		Schedule R (1040)	2210	4562	8283	Pub 506	Pub 530
1040	Schedules A&B (1040)	Schedule R Instructions	2210 Instructions	4562 Instructions	8283 Instructions	Pub 521	Pub 545
Instructions for 1040 & Schedules	Schedule C (1040)	Schedule SE (1040)	2441	4684	Pub 463	Pub 523	Pub 552
1040A	Schedule D (1040)	Schedule W (1040)	3468	4684 Instructions	Pub 501	Pub 524	Pub 553
1040EZ	Schedule E (1040)	1040-ES (1987)	3468 Instructions	4797	Pub 502	Pub 526	Pub 554
1040A & 1040EZ Instructions	Schedule F (1040)	2106	3903	4797 Instructions	Pub 503	Pub 527	Pub 917

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Print or type your name and address on this label. It will be used to speed your order for forms to you.

Name

Number and street

City or town, state, and ZIP code

Save Time! Participating libraries have IRS tax forms available for copying and reference sets of Tax Information Publications. Also, participating banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their Instructions, and Schedules A&B and W.

Form **1040A** — Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 1986

OMB No. 1545-0085

Step 1 Name and address

Use the IRS mailing label. If you don't have one, print or type:

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security no.

Present home address (number and street). (If you have a P.O. Box, see page 7 of the instructions.) | Spouse's social security no.

City, town or post office, state, and ZIP code | If this address is different from the one shown on your 1985 return, check here ☐

Presidential Election Campaign Fund

Do you want $1 to go to this fund? ☐ Yes ☐ No

If joint return, does your spouse want $1 to go to this fund? ☐ Yes ☐ No

Step 2 Check your filing status (Check only one)

1 ☐ Single (See if you can use Form 1040EZ.)

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Write spouse's social security number above and spouse's full name here. _____

4 ☐ Head of household (with qualifying person). If the qualifying person is your unmarried child but not your dependent, write this child's name here. _____

Step 3 Figure your exemptions

Always check the exemption box labeled Yourself. Check other boxes if they apply.

6a ☐ Yourself ☐ 65 or over ☐ Blind — Write number of boxes checked on 6a and b

b ☐ Spouse ☐ 65 or over ☐ Blind

c First names of your dependent children who lived with you — Write number of children listed on 6c

d First names of your dependent children who did not live with you (see page 11). (If pre-1985 agreement, check here ☐.) — Write number of children listed on 6d

Attach Copy B of Form(s) W-2 here

e Other dependents:

1. Name	2. Relationship	3. Number of months lived in your home	4. Did dependent have income of $1,000 or more?	5. Did you provide more than one-half of dependent's support?

Write number of other dependents listed on 6e

f Total number of exemptions claimed. (Also complete line 18.) — Add numbers entered on lines above

Step 4 Figure your total income

6 Total wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) — 6

7 Interest income. (If the total is over $400, also attach Schedule 1, Part III.) — 7

Attach check or money order here

8a Dividends. (If the total is over $400, also attach Schedule 1, Part IV.) Total. 8a — 8b Exclusion (see page 16). 8b

c Subtract line 8b from line 8a. Write the result on line 8c. — 8c

9a Unemployment compensation (insurance), from Form(s) 1099-G. Total received. 9a

b Taxable amount, if any, from the worksheet on page 17 of the instructions. — 9b

10 Add lines 6, 7, 8c, and 9b. Write the total. This is your **total income**. ▶ — 10

Step 5 Figure your adjusted gross income

11 Individual retirement arrangement (IRA) deduction, from the worksheet on page 19. 11

12 Deduction for a married couple when both work. Complete and attach Schedule 1, Part I. 12

13 Add lines 11 and 12. Write the total. These are your **total adjustments**. — 13

14 Subtract line 13 from line 10. Write the result. This is your **adjusted gross income**. ▶ — 14

Step 6 Figure your taxable income

15 Write the amount from line 14. — 15

16a If you made charitable contributions, write your cash contributions. (If $3,000 or more to any one organization, see page 21.) 16a

b Write your noncash contributions. If over $500, you must attach Form 8283. 16b

c Add lines 16a and 16b. Write the total. — 16c

17 Subtract line 16c from line 15. Write the result. — 17

18 Multiply $1,080 by the total number of exemptions claimed on line 5f. See the chart on page 22 of the instructions. — 18

19 Subtract line 18 from line 17. Write the result. This is your **taxable income**. ▶ — 19

Step 7 Figure your tax, credits, and payments (including advance EIC payments)

If You Want IRS to Figure Your Tax, See Page 22 of the instructions.

20 Find the tax on the amount on line 19. Use the tax table, pages 31-36. — 20

21a Credit for child and dependent care expenses. Complete and attach Schedule 1, Part II. 21a

b Partial credit for political contributions for which you have receipts. See page 24 of the instructions. 21b

22 Add lines 21a and 21b. Write the total. — 22

23 Subtract line 22 from line 20. Write the result. (If line 22 is more than line 20, write -0- on line 23.) This is your **total tax**. ▶ — 23

24a Total Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). (If line 6 is more than $42,000, see page 25 of the instructions.) 24a

b Earned income credit, from the worksheet on page 27 of the instructions. See page 26 of the instructions. 24b

25 Add lines 24a and 24b. Write the total. These are your **total payments**. ▶ — 25

Step 8 Figure your refund or amount you owe

26 If line 25 is larger than line 23, subtract line 23 from line 25. Write the result. This is the **amount of your refund**. — 26

27 If line 23 is larger than line 25, subtract line 25 from line 23. Write the result. This is the **amount you owe**. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1986 Form 1040A" on it. — 27

Step 9 Sign your return

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature | Date | Your occupation

X

Spouse's signature (if joint return, both must sign) | Date | Spouse's occupation

X

Paid preparer's use only

Preparer's signature | Date | Preparer's social security no.

X

Firm's name (or yours, if self-employed) | Employer identification no.

Address and ZIP code | Check if self-employed ☐

1986 **Schedule 1 (Form 1040A)** OMB No. 1545-0085

Name(s) as shown on Form 1040A | Your social security number

You MUST complete and attach Schedule 1 to Form 1040A only if you:

- Claim the deduction for a working married couple (complete **Part I**)
- Claim the credit for child and dependent care expenses (complete **Part II**)
- Have over $400 of interest income (complete **Part III**)
- Have over $400 of dividend income (complete **Part IV**)

Part I Deduction for a married couple (filing a joint return) when both work (see page 20)

Complete this part to figure the amount you can deduct on Form 1040A, line 12. Attach Schedule 1 to Form 1040A.

		(a) You	(b) Your spouse
1	Wages, salaries, tips, etc., from Form 1040A, line 6.	1	
2	IRA deduction, if any, from Form 1040A, line 11.	2 -	-
3	Subtract line 2 from line 1. Write the result.	3 =	=
4	Write the amount from line 3, column (a) or (b) above, whichever is smaller.	4	
5	Percentage used to figure the deduction (10%).	5	x .10
6	Multiply the amount on line 4 by the percentage on line 5. Write your answer here and on Form 1040A, line 12.	6 =	

Part II Credit for child and dependent care expenses (see page 23)

Complete this part to figure the amount of credit you can take on Form 1040A, line 21a. Attach Schedule 1 to Form 1040A.

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* ***Form 942*** *for details.*

1 Write the number of qualifying persons who were cared for in 1986. (See the instructions for the definition of a qualifying person.) — 1

2 Write the amount of **qualified** expenses you incurred and actually paid in 1986 for the care of the qualifying person. (See the instructions for which expenses qualify for the credit.) DO NOT write more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons). — 2

3 a **You must** write your **earned** income on line 3a. — 3a

b If you are married, filing a joint return for 1986, you must write your spouse's earned income on line 3b. — 3b

c If you are married, compare the amounts on lines 3a and 3b, and write the **smaller** of the two amounts on line 3c. — 3c

4 • If you were unmarried at the end of 1986, compare the amounts on lines 2 and 3a, and write the **smaller** of the two amounts on line 4.
• If you are married, filing a joint return for 1986, compare the amounts on lines 2 and 3c, and write the **smaller** of the two amounts on line 4. — 4

5 Write the percentage from the table below that applies to the amount on Form 1040A, line 15.

If line 15 is: Over—	But not over—	Percentage is:	If line 15 is: Over—	But not over—	Percentage is:
$0	10,000	30% (.30)	$20,000	22,000	24% (.24)
10,000	12,000	29% (.29)	22,000	24,000	23% (.23)
12,000	14,000	28% (.28)	24,000	26,000	22% (.22)
14,000	16,000	27% (.27)	26,000	28,000	21% (.21)
16,000	18,000	26% (.26)	28,000		20% (.20)
18,000	20,000	25% (.25)			

5 — x

6 Multiply the amount on line 4 by the percentage on line 5. Write the result here and on Form 1040A, line 21a. — 6 =

1986 **Schedule 1 (Form 1040A)** OMB No. 1545-0085

Name(s) as shown on Form 1040A. (Do not complete if shown on other side.) | Your social security number

Part III Interest income (see page 15)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in interest income.

1 List name of payer	Amount
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$

2 Add amounts on line 1. Write the total here and on Form 1040A, line 7. — 2

Part IV Dividend income (see page 16)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in dividends.

1 List name of payer	Amount
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$

2 Add amounts on line 1. Write the total here and on Form 1040A, line 8a. — 2

U.S. G.P.O. 1986-491-[illegible]

Department of the Treasury - Internal Revenue Service

Form **1040EZ**

Income Tax Return for Single filers with no dependents (0) **1986**

OMB No. 1545-0675

Name & address

Use the IRS mailing label. If you don't have one, please print. If your address is different from the one shown on your 1985 return, check here ☐.

Please print your numbers like this.

1234567890

Your social security number

Print your name above (first, initial, last)

Present home address (number and street). (If you have a P.O. box, see instructions.)

City, town, or post office, state, and ZIP code

Presidential Election Campaign Fund
Do you want $1 of your tax to go to this fund? ▶

Report your income

1	Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).)	1
2	Interest income of $400 or less. If the total is more than $400, you cannot use Form 1040EZ.	2
3	Add line 1 and line 2. This is your **adjusted gross income.**	3
4	Enter your cash charitable contributions. See the instructions for line 4 on the back of this form.	4
5	Subtract line 4 from line 3.	5
6	Amount of your personal exemption.	6
7	Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0 on line 7. This is your **taxable income.**	7

Attach Copy B of Form(s) W-2 here

1 080 00

Figure your tax

8	Enter your Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s).	8
9	Use the **single** column in the tax table on pages 31-36 of the Form 1040A instruction booklet to find the tax on your taxable income on line 7. Enter the amount of tax.	9

Refund or amount you owe

Attach tax payment here

10	If line 8 is larger than line 9, subtract line 9 from line 8. Enter the **amount of your refund.**	10
11	If line 9 is larger than line 8, subtract line 8 from line 9. Enter the **amount you owe.** Attach check or money order for the full amount, payable to "Internal Revenue Service."	11

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature Date

For Privacy Act and Paperwork Reduction Act Notice, see page 41. Form **1040EZ** (1986)

1986 Instructions for Form 1040EZ

You can use this form if:

- Your filing status is single.
- You do not claim exemptions for being 65 or over, OR for being blind.
- You do not claim any dependents.
- Your taxable income is less than $50,000.
- You deduct only certain cash charitable contributions. See instructions for line 4, below.
- You had **only** wages, salaries, and tips, and your interest income was $400 or less. **Caution:** If you received tips (including allocated tips) that you did not report to your employer, you may not be able to use Form 1040EZ. See page 15 in the **Instructions for preparing 1040EZ and 1040A.**

If you can't use this form, you must use Form 1040A or Form 1040 instead. See pages 4 through 6 in the instruction booklet. If you are uncertain about your filing status, dependents, or exemptions, read the step-by-step instructions for Form 1040A that begin on page 7.

Completing your return

It will make it easier for us to process your return if you print your numbers (do not type) and keep them inside the boxes. Do not use dollar signs.

You may find calculations easier if you round off cents to whole dollars. See page 13 of the instruction booklet for details.

Name and address

Use the mailing label we sent you. After you complete your return, carefully place the label in the name and address area. Mark through any errors on the label and print the correct information right on the label. Use of the label saves processing time. If you don't have a label, print the information on the name and address lines. If your post office does not deliver mail to your street address and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

Presidential election campaign fund

Congress set up this fund to help pay for Presidential election campaigns. You may have one of your tax dollars go to this fund by checking the "Yes" box. Checking the "Yes" box does not change the tax or refund shown on your return.

Report your income

Line 1. Enter on line 1 the total amount you received in wages, salaries, and tips. This should be shown in Box 10 of your 1986 **wage statement(s), Form W-2.** If you don't receive your W-2 form by February 15, contact your local IRS office. Attach the first copy or Copy B of your W-2 form(s) to your return.

Line 2. Enter on line 2 the total interest income you received from all sources, such as banks, savings and loans, and credit unions. You should receive a **Form 1099-INT** from each institution that paid you interest. You cannot use Form 1040EZ if your total interest income is over $400.

Line 4. Enter on line 4 what you gave in cash (including checks and money orders) to qualified charitable organizations in 1986. But if you gave $3,000 or more to any one organization, or you made any noncash contributions, you cannot use Form 1040EZ. See page 20 of the instruction booklet for information on qualified charitable organizations and other limitations.

Line 6. Every taxpayer is entitled to one $1,080 personal exemption. If you are also entitled to additional exemptions for being 65 or over, for blindness, for your spouse, or for your dependent children or other dependents, you cannot use Form 1040EZ.

Figure your tax

Line 8. Enter the amount of Federal income tax withheld. This should be shown in Box 9 of your 1986 W-2 form(s). If you had two or more employers and had total wages of over $42,000, see page 25 of the instruction booklet. If you want IRS to figure your tax for you, complete lines 1 through 8, sign and date your return. If you want to figure your own tax, continue with these instructions.

Line 9. Use the amount on line 7 to find your tax in the tax table on pages 31-36 of the instruction booklet. Be sure to use the column in the tax table for **single** taxpayers. Enter the amount of tax on line 9. If your tax from the tax table is zero, enter 0.

Refund or amount you owe—Compare line 8 with line 9

Line 10. If line 8 is larger than line 9, you are entitled to a refund. Subtract line 9 from line 8, and enter the result on line 10.

Line 11. If line 9 is larger than line 8, you owe more tax. Subtract line 8 from line 9, and enter the result on line 11. Attach your check or money order for the full amount. Write your social security number, daytime phone number, and "1986 Form 1040EZ" on your payment.

Sign your return

You must sign and date your return. If you pay someone to prepare your return, that person must also sign it below the space for your signature and supply the other information required by IRS. See page 28.

Mailing your return

File your return by **April 15, 1987.** Mail it to us in the addressed envelope that came with the instruction booklet. If you don't have an addressed envelope, see page 30 of the instruction booklet for the address.

☆ U.S.G.P.O. 1986 - 492-124

SCHEDULES A&B (Form 1040)
Department of the Treasury Internal Revenue Service (0)
Name(s) as shown on Form 1040

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074
1986
Attachment Sequence No. 07
Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19)	1 Prescription medicines and drugs, and insulin	1		
	2 a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a		
	b Transportation and lodging	2b		
	c Other (list—include hearing aids, dentures, eyeglasses, etc.) ▶	2c		
	3 Add lines 1 through 2c, and enter the total here	3		
	4 Multiply the amount on Form 1040, line 33, by 5% (.05)	4		
	5 Subtract line 4 from line 3. If zero or less, enter -0- **Total** medical and dental ▶			5
Taxes You Paid (See instructions on page 20)	6 State and local income taxes	6		
	7 Real estate taxes	7		
	8 a General sales tax (see sales tax tables in instruction booklet)	8a		
	b General sales tax on motor vehicles	8b		
	9 Other taxes (list—include personal property taxes) ▶	9		
	10 Add the amounts on lines 6 through 9. Enter the total here **Total** taxes ▶			10
Interest You Paid (See instructions on page 20)	11 a Home mortgage interest paid to financial institutions (report deductible points on line 13)	11a		
	b Home mortgage interest you paid to individuals (show that person's name and address) ▶	11b		
	12 Total credit card and charge account interest you paid	12		
	13 Other interest you paid (list payee's name and amount) ▶	13		
	14 Add the amounts on lines 11a through 13. Enter the total here **Total** interest ▶			14
Contributions You Made (See instructions on page 21)	15 a Cash contributions. (If you gave $3,000 or more to any one organization, report those contributions on line 15b.)	15a		
	b Cash contributions totaling $3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	15b		
	16 Other than cash. (You must attach Form 8283 if over $500.)	16		
	17 Carryover from prior year	17		
	18 Add the amounts on lines 15a through 17. Enter the total here **Total** contributions ▶			18
Casualty and Theft Losses	19 Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (See page 21 of Instructions.) ▶			19
Miscellaneous Deductions (See instructions on page 22)	20 Union and professional dues	20		
	21 Tax return preparation fee	21		
	22 Other (list type and amount) ▶	22		
	23 Add the amounts on lines 20 through 22. Enter the total here **Total** miscellaneous ▶			23
Summary of Itemized Deductions (See instructions on page 22)	24 Add the amounts on lines 5, 10, 14, 18, 19, and 23. Enter your answer here			24
	25 If you checked Form 1040 { Filing Status box 2 or 5, enter $3,670 / Filing Status box 1 or 4, enter $2,480 / Filing Status box 3, enter $1,835 }			25
	26 Subtract line 25 from line 24. Enter your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.) ▶			26

For Paperwork Reduction Act Notice, see Form 1040 Instructions. Schedule A (Form 1040) 1986

Schedules A&B (Form 1040) 1986 OMB No. 1545-0074 Page 2
Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.) Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income (See instructions on pages 8 and 22.) Also complete Part III

If you received more than $400 in interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

Interest Income		Amount
1 Interest income from seller-financed mortgages. (See instructions and list name of payer.) ▶	1	
2 Other interest income (list name of payer) ▶	2	
3 Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8 ▶	3	

Part II Dividend Income (See instructions on pages 8 and 22.) Also complete Part III

If you received more than $400 in gross dividends and/or other distributions on stock, complete Part II. If you received, as a nominee, dividends that actually belong to another person, see page 23.

Dividend Income		Amount
4 Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ▶	4	
5 Add the amounts on line 4. Enter the total here	5	
6 Capital gain distributions. Enter here and on line 13, Schedule D *	6	
7 Nontaxable distributions. (See Schedule D instructions for adjustment to basis.)	7	
8 Add the amounts on lines 6 and 7. Enter the total here	8	
9 Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9a ▶	9	

*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

Part III Foreign Accounts and Foreign Trusts (See instructions on page 23.)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

	Yes	No
10 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 23 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
11 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. Schedule B (Form 1040) 1986

* U.S. Government Printing Office: 1986—480-002/22-00/10750

SCHEDULE C (Form 1040)
Department of the Treasury
Internal Revenue Service (0)

Profit or (Loss) From Business or Profession
(Sole Proprietorship)
Partnerships, Joint Ventures, etc., Must File Form 1065.
▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040).

OMB No 1545-0074
1986
Attachment Sequence No **09**

Name of proprietor | Social security number

A Principal business or profession, including product or service (see instructions) | B Principal business code (from page 2) ▶

C Business name and address ▶ | D Employer ID number

E Method(s) used to value closing inventory
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

F Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

	Yes	No
G Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation		
H Did you deduct expenses for an office in your home?		

I If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here ▶ ☐
If you check this box, you **MUST** attach **Form 8271**

Part I Income

1a Gross receipts or sales	1a	
b Less: Returns and allowances	1b	
c Subtract line 1b from line 1a and enter the balance here	1c	
2 Cost of goods sold and/or operations (from Part III, line 8)	2	
3 Subtract line 2 from line 1c and enter the **gross profit** here	3	
4a Windfall profit tax credit or refund received in 1986 (see instructions)	4a	
b Other income	4b	
5 Add lines 3, 4a, and 4b. This is the **gross income** ▶	5	

Part II Deductions

6 Advertising		20 Office expense	
7 Bad debts from sales or services (Cash method taxpayers, see instructions.)		21 Pension and profit-sharing plans	
8 Bank service charges		22 Rent on business property	
9 Car and truck expenses		23 Repairs	
10 Commissions		24 Supplies (not included in Part III below)	
11 Depletion		25 Taxes (Do not include windfall profit tax here. See line 29.)	
12 Depreciation and section 179 deduction from Form 4562 (not included in Part III below)		26 Travel and entertainment	
13 Dues and publications		27 Utilities and telephone	
14 Employee benefit programs		28a Wages	
15 Freight (not included in Part III below)		b Jobs credit	
16 Insurance		c Subtract line 28b from 28a	
17 Interest		29 Windfall profit tax withheld in 1986	
a Mortgage (paid to financial institutions)		30 Other expenses (specify)	
b Other		a	
18 Laundry and cleaning		b	
19 Legal and professional services		c	
		d	

31 Add amounts in columns for lines 6 through 30d. These are the **total deductions** ▶ 31

32 **Net profit or (loss).** Subtract line 31 from line 5 and enter the result. If a profit, enter on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). If a loss, you **MUST** go on to line 33. 32

33 If you have a loss, you **MUST** answer this question: "Do you have amounts for which you are not at risk in this business (see instructions)?" ☐ Yes ☐ No
If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S).

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)	1	
2 Purchases less cost of items withdrawn for personal use	2	
3 Cost of labor (Do not include salary paid to yourself.)	3	
4 Materials and supplies	4	
5 Other costs	5	
6 Add lines 1 through 5	6	
7 Less: Inventory at end of year	7	
8 **Cost of goods sold and/or operations.** Subtract line 7 from line 6. Enter here and in Part I, line 2, above.	8	

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule C (Form 1040) 1986**

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax
▶ See Instructions for Schedule SE (Form 1040).
▶ Attach to Form 1040.

OMB No 1545-0074
1986
Attachment Sequence No **18**

Name of person with **self-employment** income (as shown on social security card) | Social security number of person with **self-employment** income ▶

Part I Regular Computation of Net Earnings From Self-Employment

Note: *If you performed services for certain churches or church controlled organizations and you are not a minister or a member of a religious order, see the instructions before completing the schedule.*

1 Net farm profit or (loss) from Schedule F (Form 1040), line 38, and farm partnerships, Schedule K-1 (Form 1065), line 13a	1	
2 Net profit or (loss) from Schedule C (Form 1040), line 32, and Schedule K-1 (Form 1065), line 13a (other than farming). (See instructions for other income to report.) Employees of an electing church or church controlled organization do **NOT** enter your Form W-2 wages on line 2. See the instructions.	2	

Note: *Check here if you are* ***exempt*** *from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed* ***Form 4361****. See instructions for kinds of income to report. If you have other earnings of $400 or more that are subject to self-employment tax, include those earnings on line 2.* ▶ ☐

Part II Optional Computation of Net Earnings From Self-Employment (See "Who Can Use Schedule SE" in the Instructions. Also see instructions for other limitations.)

Generally, this part may be used **only** if you meet any of the following tests:

A Your gross farm income[1] was not more than $2,400, or

B Your gross farm income[1] was more than $2,400 and your net farm profits[2] were less than $1,600, or

C Your net nonfarm profits[3] were less than $1,600 and your net nonfarm profits[3] were also less than two-thirds (⅔) of your gross nonfarm income.[4]

Note: *If line 2 above is two-thirds (⅔) or more of your gross nonfarm income[4] or, if line 2 is $1,600 or more, you may* ***not*** *use the optional method.*

[1] From Schedule F (Form 1040), line 12, and Schedule K-1 (Form 1065), line 13b.
[2] From Schedule F (Form 1040), line 38, and Schedule K-1 (Form 1065), line 13a.
[3] From Schedule C (Form 1040), line 32, and Schedule K-1 (Form 1065), line 13a.
[4] From Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c.

3 Maximum income for optional methods	3	$1,600 00
4 Farm Optional Method.—If you meet test A or B above, enter the smaller of two-thirds (⅔) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 13b, or $1,600	4	
5 Subtract line 4 from line 3	5	
6 Nonfarm Optional Method.—If you meet test C above, enter the smallest of two-thirds (⅔) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c (other than farming), or $1,600, or, if you elected the farm optional method, the amount on line 5	6	

Part III Computation of Social Security Self-Employment Tax

7 Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4	7	
8 Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6	8	
9 Add lines 7 and 8. If less than $400, do not fill in the rest of this schedule because you are not subject to self-employment tax. (**Exception:** If you are an employee of an electing church or church controlled organization, see the instructions. You may owe self-employment tax on the amount you report on line 12c.)	9	
10 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1986 is	10	$42,000 00
11 a Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1). **Note:** *Medicare qualified government employees whose wages are only subject to the 1.45% medicare (hospital insurance benefits) tax, and employees of certain church or church controlled organizations should* ***not*** *include those wages on this line. (See instructions.)* 11a		
b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1) 11b		
c Add lines 11a and 11b	11c	
12 a Subtract line 11c from line 10	12a	
b Enter your medicare qualified government wages if you are required to use the worksheet in Part III of the instructions 12b		
c Enter your Form W-2 wages of $100 or more from an electing church or church controlled organization 12c		
13 Enter the smaller of line 9 or line 12a (if line 13 is $42,000, fill in $5,166 on line 14. Otherwise, multiply line 13 by .123 and enter the result on line 14.)	13	.123
14 Self-employment tax. Enter this amount on Form 1040, line 50.	14	

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule SE (Form 1040) 1986**

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (0)

Capital Gains and Losses and Reconciliation of Forms 1099-B

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).

For Paperwork Reduction Act Notice, see Form 1040 instructions.

OMB No. 1545-0074

1986

Attachment Sequence No. 12

Name(s) as shown on Form 1040 | Your social security number

1 Report here, the total sales of stocks, bonds, etc., reported for 1986 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s) . . . 1

If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the instructions for line 1, Schedule D (Form 1040) for examples.

Part I Short-term Capital Gains and Losses—Assets Held Six Months or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
2a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
2b Total (add column (d)) ▶						
2c Other Transactions:						

3	Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12	3	
4	Short-term gain from installment sales from Form 6252, lines 22 or 30	4	
5	Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	5	
6	Short-term capital loss carryover from years beginning after 1969	6	( )
7	Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)	7	( )
8	Net short-term gain or (loss), combine columns (f) and (g) of line 7		8

Part II Long-term Capital Gains and Losses—Assets Held More Than Six Months

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
9a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
9b Total (add column (d)) ▶						
9c Other Transactions:						

10	Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8, or 12	10	
11	Long-term gain from installment sales from Form 6252, lines 22 or 30	11	
12	Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12	
13	Capital gain distributions	13	
14	Enter gain from Form 4797, lines 6 or 8	14	
15	Long-term capital loss carryover from years beginning after 1969	15	( )
16	Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g)	16	( )
17	Net long-term gain or (loss), combine columns (f) and (g) of line 16		17

Note: *If you have capital loss carryovers from years beginning before 1970, do not complete Parts III or IV. See Form 4798 instead.*

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.) | Your social security number

Part III Summary of Parts I and II

18	Combine lines 8 and 17, and enter the net gain or (loss) here **Note:** *If line 18 is a loss, skip lines 19 through 21 and complete lines 22 and 23. If line 18 is a gain, complete lines 19 through 21 and skip lines 22 and 23.*	18	
19	If line 18 shows a gain, enter the smaller of line 17 or line 18. Enter zero if there is a loss or no entry on line 17	19	
20	Enter 60% of line 19 *If line 20 is more than zero, you may be liable for the alternative minimum tax. See Form 6251.*	20	
21	Subtract line 20 from line 18. Enter here and on Form 1040, line 13	21	
22	If line 18 shows a loss, enter one of the following amounts: a If line 8 is zero or a net gain, enter 50% of line 18; b If line 17 is zero or a net gain, enter line 18; or c If line 8 and line 17 are net losses, enter amount on line 8 added to 50% of the amount on line 17	22	
23	Enter here and as a loss on Form 1040, line 13, the smallest of: a The amount on line 22, b $3,000 ($1,500 if married and filing a separate return), or c Taxable income, as adjusted (see instructions)	23	

Part IV Computation of Post-1969 Capital Loss Carryovers From 1986 to 1987

(Complete this part if the loss on line 22 is more than the loss on line 23)

24	Enter loss shown on line 8, if none, enter zero and skip lines 25 through 28, then go to line 29	24	
25	Enter gain shown on line 17. If that line is blank or shows a loss, enter zero	25	
26	Subtract line 25 from line 24	26	
27	Enter smaller of line 23 or line 26	27	
28	Subtract line 27 from line 26. This is your short-term capital loss carryover from 1986 to 1987	28	
29	Subtract line 27 from line 23. (Note: If you skipped lines 25 through 28, enter amount from line 23.)	29	
30	Enter loss from line 17, if none, enter zero and skip lines 31 through 34	30	
31	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	31	
32	Subtract line 31 from line 30	32	
33	Multiply amount on line 29 by 2	33	
34	Subtract line 33 from line 32. This is your long-term capital loss carryover from 1986 to 1987	34	

Part V Complete This Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method . . . . . ▶ ☐

Enter the face amount of the note or other obligation. ▶ . . . . . .

Enter the percentage of valuation of the note or other obligation. ▶ . . . . . .

Part VI Reconciliation of Forms 1099-B For Bartering Transactions

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income. Enter the amount on the line that indicates the form or schedule you used to report the bartering income.

			Amount of bartering from Form 1099-B or equivalent statement
35	Form 1040, line 22	35	
36	Schedule C (Form 1040)	36	
37	Schedule D (Form 1040)	37	
38	Schedule E (Form 1040)	38	
39	Schedule F (Form 1040)	39	
40	Other (identify) (If not taxable, indicate reason—attach additional sheets if necessary) ▶	40	
41	Total (add lines 35 through 40) **Note:** *The amount on line 41 should be the same as the total bartering on all Forms 1099-B or equivalent statements received.*	41	

*U.S. GOVERNMENT PRINTING OFFICE: 1986-491-090

SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates, trusts, etc.)

▶ Attach to Form 1040, Form 1041, or Form 1041S.

▶ See Instructions for Schedule E (Form 1040).

OMB No 1545-0074

1986

Attachment Sequence No 13

Name(s) as shown on Form 1040 | Your social security number

Part I Rental and Royalty Income or (Loss)

1 In the space provided below, show the kind and location of each rental property.

2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

	Yes	No
Property A ▶		
Property B ▶		
Property C ▶		

Rental and Royalty Income	Properties A	Properties B	Properties C	Totals (Add columns A, B, and C)
3a Rents received				
b Royalties received				3
Rental and Royalty Expenses				
4 Advertising				4
5 Auto and travel				5
6 Cleaning and maintenance				6
7 Commissions				7
8 Insurance				8
9 Legal and other professional fees				9
10 Mortgage interest paid to financial institutions (see Instructions)				10
11 Other interest				11
12 Repairs				12
13 Supplies				13
14 Taxes (Do **not** include windfall profit tax here. See Part III, line 34.)				14
15 Utilities				15
16 Wages and salaries				16
17 Other (list) ▶				
18 Total expenses other than depreciation and depletion. Add lines 4 through 17				18
19 Depreciation expense (see Part V Instructions), or depletion (see Publication 535)				19
20 Total. Add lines 18 and 19				20
21 Income or (loss) from rental or royalty properties. Subtract line 20 from line 3a (rents) or 3b (royalties)				21
22 Add properties with profits on line 21, and enter the total profits here				22
23 Add properties with losses on line 21, and enter the total (losses) here				23 ( )
24 Combine amounts on lines 22 and 23, and enter the net profit or (loss) here				24
25 Net farm rental profit or (loss) from Form 4835, line 34				25
26 Total rental or royalty income or (loss). Combine amounts on lines 24 and 25, and enter the total here. If Parts II and III on page 2 do not apply to you, enter the amount from line 26 on Form 1040, line 18. Otherwise, include the amount from line 26 in line 36 on page 2 of Schedule E				26

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Schedule E (Form 1040) 1986 Attachment Sequence No 13 Page 2

Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.) | Your social security number

Part II Income or (Loss) from Partnerships, S Corporations, Estates, or Trusts

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See Instructions.

Partnerships and S Corporations

(a) Name	(b) Enter appropriate code	(c) Check if foreign partnership	(d) Employer identification number	(e) Net loss (see Instructions for at risk limitations)	(f) Net income

Codes: P for partnership; S for S corporation

27 Add amounts in columns (e) and (f) and enter the total(s) here 27 ( ) ( )

28 Combine amounts in columns (e) and (f), line 27, and enter the net income or (loss) here 28

29 Deduction for section 179 property (from Form 1065, Schedule K-1, and Form 1120S, Schedule K-1) (See Instructions for limitations.) 29 ( )

30 Total partnership and S corporation income or (loss). Combine amounts on lines 28 and 29. Enter the total here and include in line 36 below 30

Estates and Trusts

(a) Name	(b)	(c)	(d) Employer identification number	(e) Net loss (see Instructions for at risk limitations)	(f) Net income

31 Add amounts in columns (e) and (f) and enter the total(s) here 31 ( ) ( )

32 Total estate and trust income or (loss). Combine amounts in columns (e) and (f), line 31. Enter the total here and include in line 36 below 32

Part III Windfall Profit Tax Summary

33 Windfall profit tax credit or refund received in 1986 (see Instructions) 33

34 Windfall profit tax withheld in 1986 (see Instructions) 34 ( )

35 Combine amounts on lines 33 and 34. Enter the total here and include in line 36 below 35

Part IV Summary

36 TOTAL income or (loss). Combine lines 26, 30, 32, and 35. Enter total here and on Form 1040, line 18 ▶ 36

37 Farmers and fishermen: Enter your share of GROSS FARMING AND FISHING INCOME applicable to Parts I and II (see Instructions) 37

Part V Optional Depreciation Worksheet.

—You may use this worksheet to figure depreciation only on property placed in service before 1981. If you placed any property in service after 1980, you must use **Form 4562** for all property.

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year
A							
	Total (Property A)						
B							
	Total (Property B)						
C							
	Total (Property C)						

*U.S. G.P.O. 1986-493-099

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service (0)

Name of proprietor

Farm Income and Expenses

▶ Attach to Form 1040, Form 1041, Form 1041S, or Form 1065.

▶ See Instructions for Schedule F (Form 1040).

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Attachment Sequence No 14

Social security number (SSN)

A Principal Product (Describe in one or two words your principal crop or output for the current tax year.)

B Agricultural Activity Code (The codes are on page 2.) ▶

C Accounting Method: ☐ Cash ☐ Accrual

Employer ID number (NOT SSN)

D If you made an election in a prior year to include commodity credit loan proceeds as income in that year, check here ▶ ☐

Part I Farm Income—Cash Method—Complete Parts I and II

(Accrual method taxpayers complete Parts II and III, and line 12 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1		
2	Cost or other basis of livestock and other items you bought for resale	2		
3	Subtract line 2 from line 1			3
4	Sales of livestock, produce, grains, and other products you raised			4
5a	Total distributions received from cooperatives (from Form 1099-PATR)	5a		
b	**Less:** Nonincome items	5b		
6	Net distributions. Subtract line 5b from line 5a			6
7	Agricultural program payments			
a	Cash			7a
b	Materials and services			7b
8	Commodity credit loans under election (or forfeited)			8
9	Crop insurance proceeds. If election attached to include in income in year following damage, check here ▶ ☐			9
10	Machine work			10
11	Other income, including Federal and state gasoline tax credit or refund (see Instructions)			11
12	**Gross income.** Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 53 ▶			12

Part II Farm Deductions—Cash and Accrual Method

Do not include personal or living expenses (such as taxes, insurance, repairs, etc., on your home) which do not produce farm income. Reduce the amount of your farm deductions by any reimbursements before entering the deduction below.

13	Breeding fees		26	Machine hire	
14	Chemicals		27	Pension and profit-sharing plans	
15	Conservation expenses		28	Rent of farm, pasture	
16	Depreciation and section 179 expense deduction (from Form 4562)		29	Repairs, maintenance	
17	Employee benefit programs other than on line 27		30	Seeds, plants purchased	
18	Feed purchased		31	Storage, warehousing	
19	Fertilizers and lime		32	Supplies purchased	
20	Freight, trucking		33	Taxes	
21	Gasoline, fuel, oil		34	Utilities	
22	Insurance		35	Veterinary fees, medicine	
23	Interest		36	Other expenses (specify)	
a	Mortgage (paid to financial institutions)		a		
b	Other		b		
24a	Labor hired		c		
b	Jobs credit		d		
25	Net labor hired (subtract line 24b from line 24a)		e		
			f		
			g		
			h		

37	**Total deductions from Part II.** Add amounts in columns for lines 13 through 36h ▶	37	
38	**Net farm profit or (loss)** (subtract line 37 from line 12). If a profit, enter on Form 1040, line 19, and on Schedule SE, Part I, line 1. If a loss, you **MUST** go on to line 39. (Fiduciaries and partnerships, see the Instructions.)	38	
39	If you have a loss, you **MUST** answer this question. "Do you have amounts for which you are not at risk in this farm?" (See Instructions.) ☐ Yes ☐ No. If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 19, and on Schedule SE, Part I, line 1		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule F (Form 1040) 1986**

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include them on line 48 below.

40	Sales of livestock, produce, grains, and other products during year			40
41a	Total distributions received from cooperatives (from Form 1099-PATR)	41a		
b	**Less:** Nonincome items	41b		
42	Net distributions. Subtract line 41b from line 41a			42
43	Agricultural program payments			
a	Cash			43a
b	Materials and services			43b
44	Commodity credit loans under election (or forfeited)			44
45	Machine work			45
46	Other income, including Federal and state gasoline tax credit or refund (see Instructions)			46
47	**Total.** Add amounts on lines 40 and 42 through 46			47
48	Inventory of livestock, produce, grains, and other products at beginning of year	48		
49	Cost of livestock, produce, grains, and other products purchased during year	49		
50	Add lines 48 and 49	50		
51	Inventory of livestock, produce, grains, and other products at end of year	51		
52	Cost of livestock, produce, grains, and other products sold. Subtract line 51 from line 50 *			52
53	**Gross income.** Subtract line 52 from line 47. Enter here and on Part I, line 12 ▶			53

* If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 51 is larger than the amount on line 50, subtract line 50 from line 51. Enter the result on line 52 and add lines 47 and 52. Enter the total on line 53.

Principal Agricultural Activity Codes

Select one of the following codes and write the 4 digit number on line B on page 1 of this schedule. (**Note:** *If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file* ***Schedule C (Form 1040)****, Profit or (Loss) From Business or Profession.*)

0120 **Field crop,** including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc.

0160 **Vegetables and melons,** garden type vegetables and melons, such as sweet corn, tomatoes, squash, etc.

0170 **Fruit and tree nuts,** including grapes, berries, olives, etc.

0180 **Horticultural specialty,** including the growing of ornamental floriculture and nursery products such as plants, shrubbery, bulbs, flowers, sod, etc.

0211 **Beefcattle feedlots**

0212 **Beefcattle,** except feedlots

0215 **Hogs, sheep, and goats**

0240 **Dairy**

0250 **Poultry and eggs,** including chickens, ducks, pigeons, quail, etc.

0260 **General livestock,** not specializing in any one livestock category

0270 **Animal specialty,** including fur bearing animals, pets, fish, horses, etc.

0300 **Agricultural production,** not specified

*U.S. G.P.O. 1986-493-098

Schedule G (Form 1040)
Department of the Treasury
Internal Revenue Service (O)

Income Averaging

▶ See instructions on back. ▶ Attach to Form 1040.

OMB No. 1545-0074
1986
Attachment Sequence No. **16**

Name(s) as shown on Form 1040 | Your social security number

Step 1 Add your income from 1983–1985

1983	1	Enter the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	1
1984	2	Enter the amount from your 1984 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	2
1985	3	Enter the amount from your 1985 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3
Total	4	Enter all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1983 through 1985 (include housing exclusion)	4
	5	Add lines 1 through 4	5

Step 2 Figure your averageable income

6	Divide the amount on line 5 by three (3)	6
7	Multiply the amount on line 6 by 140% (1.4)	7
8	Enter your taxable income for 1986 from Form 1040, line 37	8
9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9
10	Subtract line 9 from line 8	10
11	If you live in a community property state and are filing a separate return, see instructions	11
12	Subtract line 11 from line 10. If less than zero, enter zero	12
13	Enter the amount from line 7 above	13
14	Subtract line 13 from line 12. This is your averageable income. If this line is $3,000 or less, do not complete the rest of this form	14

Step 3 Figure your tax

15	Multiply the amount on line 14 by 25% (.25)			15
16	Enter the amount from line 7 above			16
17	Add lines 15 and 16			17
18	Enter the amount from line 11 above			18
19	Add lines 17 and 18			19
20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)			20
21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21		
22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22		
23	Subtract line 22 from line 21	23		
24	Multiply the amount on line 23 by 3 *If you have no entry on line 9, skip lines 25 through 27 and go to line 28*			24
25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25		
26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26		
27	Subtract line 26 from line 25			27
28	Add lines 20, 24, and 27. If the result is less than the tax figured from the tax rate schedule or tax table, also enter on Form 1040, line 38, and check the Schedule G box			28

For Paperwork Reduction Act Notice, see Form 1040 instructions. | Schedule G (Form 1040) 1986

Schedule W (Form 1040)
Department of the Treasury
Internal Revenue Service (O)

Deduction for a Married Couple When Both Work

▶ For Paperwork Reduction Act Notice, see Form 1040 instructions.
▶ Attach to Form 1040.

OMB No. 1545-0074
1986
Attachment Sequence No. **20**

Names as shown on Form 1040 | Your social security number

Step 1 Figure your earned income

		(a) You	(b) Your spouse
1	Wages, salaries, tips, etc., from Form 1040, line 7. (Do not include pensions or annuities reported on Form 1040, line 16 or lines 17a and 17b.)	1	1
2	Net profit or (loss) from self-employment (from Schedules C and F (Form 1040), Schedule K-1 (Form 1065), and any other earned income)	2	2
3	Add lines 1 and 2. This is your total earned income	3	3

Step 2 Figure your qualified earned income

4	Add amounts entered on Form 1040, lines 25, 26, 27, and any repayment of supplemental unemployment benefits (sub-pay) included on line 31. Enter the total (see instructions below)	4	4
5	Subtract line 4 from line 3. This is your qualified earned income. If the amount in column (a) or (b) is zero (0) or less, stop here. You may not take this deduction	5	5

Step 3 Figure your deduction

6	Compare the amounts in columns (a) and (b) of line 5 above. Enter the **smaller** amount here. (Enter either amount if 5(a) and 5(b) are the same.) ***Do not enter more than $30,000***		6
7	Percentage used to figure the deduction (10%)		7 x .10
8	Multiply the amount on line 6 by the percentage on line 7. This is the amount of your deduction. Enter the answer here and on Form 1040, line 30	▶	8

Instructions

Complete this schedule and attach it to your Form 1040 if you take the deduction for a married couple when both work. You may take the deduction if both you and your spouse

- work and have qualified earned income, and
- file a joint return, and
- do not file **Form 2555** to exclude income or to exclude or deduct certain housing costs, and
- do not file **Form 4563** to exclude income.

There are three steps to follow in figuring the deduction on Schedule W.

Step 1 (lines 1, 2, and 3).—Figure earned income separately for yourself and your spouse.

Earned income.—This is generally income you receive for services you provide. It includes wages, salaries, tips, commissions, sub-pay, etc. (from Form 1040, line 7). It also includes income earned from self-employment (from Schedules C and F of Form 1040 and Schedule K-1 of Form 1065), and net earnings and gains (other than capital gains) from the disposition, transfer, or licensing of property that you created.

Earned income does not include interest, dividends, social security benefits, IRA distributions, unemployment compensation, deferred compensation, or nontaxable income. It also does not include any amount your spouse paid you.

Caution: *Do not consider community property laws in figuring your earned income.*

Step 2 (lines 4 and 5).—Figure qualified earned income separately for yourself and your spouse by subtracting certain adjustments from earned income.

Qualified earned income.—This is the amount on which the deduction is based. Figure it by subtracting the total of certain adjustments from earned income. These adjustments (and the related lines on Form 1040) are

- Employee business expenses (from line 25)
- IRA deduction (from line 26)
- Keogh retirement plan and self-employed SEP deduction (from line 27)
- Repayment of sub pay included in the total on line 31. See the instructions on repayment of sub pay on page 12 of the Form 1040 instructions.

Enter the total of any adjustments that apply to your or your spouse's earned income in the appropriate column of line 4.

Step 3 (lines 6, 7, and 8).—Figure the deduction based on the **smaller** of

- the qualified earned income entered in column (a) or (b) of line 5, whichever is less, **OR**
- $30,000.

Example.—You earned a salary of $20,000 and had $3,000 of employee business expenses (Form 1040, line 25). Your spouse earned $17,000 and had an IRA deduction of $1,000 (Form 1040, line 26). Your qualified earned income is $17,000 ($20,000 minus $3,000) and your spouse's is $16,000 ($17,000 minus $1,000). Because your spouse's qualified earned income is less than yours, the deduction is figured on your spouse's income. Therefore, the deduction is $1,600 ($16,000 x .10).

Schedule W (Form 1040) 1986

Schedule R (Form 1040)
Department of the Treasury
Internal Revenue Service ○

Credit for the Elderly or for the Permanently and Totally Disabled

▶ For Paperwork Reduction Act Notice, see separate instructions.
▶ Attach to Form 1040. ▶ See separate instructions for Schedule R.

OMB No. 1545-0074
1986
Attachment Sequence No. 17

Name(s) as shown on Form 1040 | Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1986

- You were 65 or over, **OR**
- You were under 65, you retired on permanent and total disability, and you received taxable disability income.

Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R. See the separate Schedule R Instructions for details.

Note: *IRS can figure this credit and your tax for you. See page 13 of the Form 1040 Instructions.*

Part I Check the Box That Applies to Your Filing Status and Age (Check only one box)

If your filing status is:	And by the end of 1986:	Check box:
Single*	1 You were 65 or over	1 ☐
	2 You were under 65 and you retired on permanent and total disability	2 ☐
	* Includes head of household and qualifying widow(er) with dependent child	
Married filing a joint return	3 Both spouses were 65 or over	3 ☐
	4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 ☐
	5 Both spouses were under 65, and both retired on permanent and total disability	5 ☐
	6 One spouse was 65 or over, and the other spouse was under 65 and retired on permanent and total disability	6 ☐
	7 One spouse was 65 or over, and the other spouse was under 65 and **NOT** retired on permanent and total disability	7 ☐
Married filing a separate return	8 You were 65 or over, and you did not live with your spouse at any time in 1986	8 ☐
	9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1986	9 ☐

Note: *If you checked the box on line 1, 3, 7, or 8, skip Part II and complete Part III. If you checked the box on line 2, 4, 5, 6, or 9, complete Parts II and III.*

Part II Statement of Permanent and Total Disability (Complete only if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box B on the statement, **AND**

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1986, check this box. ▶ ☐

If you checked this box, you do not have to file another statement for 1986. If you did not check this box, have your physician complete the following statement.

Physician's Statement

I certify that _____
Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, **OR** was permanently and totally disabled on the date he or she retired. Date retired if retired after December 31, 1976. ▶ _____

Physician: Sign your name on **either** line A or B below and check the box to the right of your signature.

A The disability has lasted, or can be expected to last, continuously for at least a year _____ A ☐
Physician's signature — Date

B There is no reasonable probability that the disabled condition will ever improve _____ B ☐
Physician's signature — Date

Physician's name | Physician's address

Instructions for Statement

Taxpayer

Enter in the space provided the date you retired if you retired after December 31, 1976.

Physician

A person is permanently and totally disabled when—

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition, and
- A physician determines that the disability
  1. has lasted, or can be expected to last, continuously for at least a year, or
  2. can be expected to lead to death.

(Continued on back)

Part III Figure the Amount of Your Credit

10	Enter: $5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, **OR** $7,500 if you checked the box on line 3, 5, or 6 in Part I, **OR** $3,750 if you checked the box on line 8 or 9 in Part I. **Caution:** *If you checked the box on line 2, 4, 5, 6, or 9 in Part I, you **MUST** complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.*		10
11	Enter on this line your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040. However, if you checked the box on line 6 in Part I, enter on this line the taxable disability income of the spouse who was under age 65 **PLUS** $5,000. (For more details on what to include, see the instructions.)		11
12	If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the **smaller** of the two amounts on this line. Otherwise, enter the amount from line 10 on this line.		12
13	Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1986:		
	a Nontaxable part of social security benefits	13a	
	b Nontaxable part of railroad retirement benefits treated as social security; and Nontaxable veterans' pensions; and Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law	13b	
	c Add lines 13a and 13b. (Even though these income items are not subject to income tax, they **must** be included to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c.	13c	
14	Enter the amount from Form 1040, line 33	14	
15	Enter: $7,500 if you checked the box on line 1 or 2 in Part I, **OR** $10,000 if you checked the box on line 3, 4, 5, 6, or 7 in Part I, **OR** $5,000 if you checked the box on line 8 or 9 in Part I	15	
16	Subtract line 15 from line 14. Enter the result. If line 15 is more than line 14, enter -0-	16	
17	Divide the amount on line 16 by 2. Enter the result	17	
18	Add lines 13c and 17. Enter the total		18
19	Subtract line 18 from line 12. Enter the result. If the result is zero or less, stop here; you **cannot** take the credit. Otherwise, go on to line 21		19
20	Percentage used to figure the credit		20 × .15
21	Multiply the amount on line 19 by the percentage (.15) on line 20 and enter the result. This is your **credit for the elderly or for the permanently and totally disabled.** Also enter this amount on Form 1040, line 42		21

*U.S. G.P.O. 1986-493-106

Form **3468**

Department of the Treasury
Internal Revenue Service (c)

Computation of Investment Credit

▶ Attach to your tax return.

▶ Schedule B (Business Energy Investment Credit) on back.

OMB No 1545-0155

1986

Attachment Sequence No **24**

Name(s) as shown on return

Identifying number

Part I Elections (Check the box(es) below that apply to you (See Instruction D).)

A I elect to increase my qualified investment by all qualified progress expenditures (QPE) made this and all later tax years ☐
Enter total qualified progress expenditures included in column (4), Part II ▶ ☐

B I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details)

Part II Qualified Investment (Certain Transition Property, QPE Property, and Qualified Timber Property)

1 Recovery Property		Line	(1) Class of Property	(2) Cost or Other Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other		100	
	Used Property	(c)	3-year		60	
		(d)	Other		100	
Section 48(q) Election to Reduce Credit (instead of adjusting basis) (partner, etc., of 1985-86 flow-through entity only)	New Property	(e)	3-year		40	
		(f)	Other		80	
	Used Property	(g)	3-year		40	
		(h)	Other		80	

2 Nonrecovery property—Enter total qualified investment (See instructions for line 2) — 2

3 **Total qualified investment in 10% property**—Add lines 1(a) through 1(h), and 2 (See instructions for special limits) — 3

4 Regular credit—Multiply line 3 by 10% (.10) (FY 1986-87 filers, see instructions for line 4) — 4

5 Qualified rehabilitation expenditures (enter qualified investment and multiply by percentage shown)

a **Rehabilitation Property placed in service before 1-1-87**:
(i) 30-year-old buildings _____ × 15% — 5a(i)
(ii) 40-year-old buildings _____ × 20% — 5a(ii)
(iii) Certified historic structures (attach NPS certificate) _____ × 25% — 5a(iii)

Fiscal-year 1986-87 filers only

b **Transition Property** and **Certain Projects placed in service after 12-31-86**:
(i) 30-year-old buildings _____ × 10% — 5b(i)
(ii) 40-year-old buildings _____ × 13% — 5b(ii)
(iii) Certified historic structures (attach NPS certificate) _____ × 25% — 5b(iii)

c **Rehabilitation Property** (not shown above) **placed in service after 12-31-86**:
(i) Pre-1936 buildings _____ × 10% — 5c(i)
(ii) Certified historic structures (attach NPS certificate) _____ × 20% — 5c(ii)

6 Credit from cooperatives—Enter regular investment credit from cooperatives — 6

7 Business energy investment credit—From line 7 of Schedule B (see back of this form) — 7

8 Current year investment credit—Add line 4 through line 7 — 8

Note: *If you have a 1986 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), research credit (Form 6765), low-income housing credit (Form 8586), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1986 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to* **Form 3800**, *General Business Credit, to claim your 1986 investment credit. If you have only a 1986 investment credit (which may include business energy investment credit), you may continue with lines 9 through 14 to claim your credit.*

Part III Tax Liability Limitations

9a Individuals—From Form 1040, enter amount from line 45
b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1) — 9
c Other filers—Enter income tax before credits from return

10a Individuals—From Form 1040, enter credit from line 46, plus any orphan drug and nonconventional source fuel credits included on line 48
b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(d) (Form 1120-A filers, enter zero) — 10
c Other filers—See instructions for line 10c

11 Income tax liability as adjusted (subtract line 10 from line 9) — 11

12a Enter smaller of line 11 or $25,000 (See instructions for line 12) — 12a
b If line 11 is more than $25,000—Enter 75% of the excess — 12b

13 Investment credit limitation—Add lines 12a and 12b — 13

14 **Total allowed credit**—Enter the smaller of line 8 or line 13—This is your **General Business Credit** for 1986. Enter here and on Form 1040, line 47; Form 1120, Schedule J, line 4(e); Form 1120-A, Part I, line 2; or the proper line of other returns — 14

For Paperwork Reduction Act Notice, see separate instructions.

Form **3468** (1986)

Schedule B.—Business Energy Investment Credit

1 Enter on lines 1(a) through 1(e) your qualified investment in business energy property.

Type of Property	Line	(1) Class of Property or Life Years	(2) Code	(3) Basis	(4) Applicable Percentage	(5) Qualified Investment (Column 3 x column 4)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 ⅓	
	(d)	5 or more but less than 7			66 ⅔	
	(e)	7 or more			100	

2 Total qualified investment—Add lines 1(a) through 1(e), column (5) — 2

3 1986 credit (15% times the portion of the line 2 amount attributable to energy property placed in service by 12-31-86) — 3

4 1986-87 fiscal year filers—Multiply the portion of the line 2 amount attributable to property placed in service after 12-31-86 by the following percentages

a Solar energy property (12%) — 4a
b Biomass and geothermal property (10%) — 4b
c Ocean thermal property (15%) — 4c

5 Certain other property (See instructions below for special limits)

a Certain long-term section 46(b)(2)(A)(i) projects underway by 12-31-82 (10%) — 5a
b Hydroelectric generating property placed in service during the year (if docketed with the Federal Energy Regulatory Commission by 12-31-85) (11%) — 5b

6 Cooperative credit—Enter business energy investment credit from cooperatives — 6

7 Tentative business energy investment credit—Add lines 3 through 6. Enter here and on line 7 of page 1 — 7

Instructions for Schedule B (Form 3468)

Note: *Partners, shareholders, and beneficiaries of FY 1985-86 partnerships, S corporations, estates and trusts that placed property in service before January 1, 1986, see the separate Instructions for Form 3468, under Specific Instructions.*

Energy property must meet the same requirements as regular investment credit property, except that the provisions of sections 48(a)(1) and 48(a)(3) do not apply. See the separate Instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(b)(2) and 48(l)(1) through (17) for details.

See section 48(l)(17) for special rules on public utility property, and section 48(l)(11) (as amended by the Crude Oil Windfall Profit Tax Act of 1980) for special rules on property financed by Industrial Development Bonds.

Specific Instructions

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property.

Line 1—Type of Property.—For definition of recovery and nonrecovery property, see the separate Instructions for Form 3468.

Line 1—Column (2).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. If you enter more than one kind of property on a line, enter the code letter for each kind of property in column (2) and the code letter and dollar amount of each kind of property in the right hand margin.

The code letters are:

a. Biomass property
b. Hydroelectric generating property
c. Solar equipment (but not passive solar equipment)
d. Ocean thermal equipment
e. Geothermal equipment

See sections 48(l)(4) and 48(l)(3)(A)(vii) and (ix) for definitions and special rules that apply to these kinds of property.

Line 5.—The section 48(q)(4) election to take a reduced credit instead of adjusting the basis of the energy property on line 5 is not available for property placed in service after December 31, 1985, and you must reduce the basis by the full amount of the credit claimed.

If the installed capacity of hydroelectric generating property is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(l)(13)(C).

On the dotted line for line 5b, enter the megawatt capacity of the generator as shown on the nameplate of the generator.

If you are a 1986-87 fiscal-year filer with a tax year beginning before and ending after July 1, 1987 (for a normal 12-month tax year, this would be only years beginning after July 31, 1986), the energy credit(s) on lines 5a and 5b must be reduced by a percentage figured from the following formula:

$$35\% \times \frac{\text{number of months in your tax year after June 1987}}{\text{total number of months in your tax year}}$$

Enter the reduced credit on lines 5a and 5b. Although the reduction may not be used in the current year or carried back to a prior year, it may be carried forward to your next tax year.

☆ U.S. Government Printing Office: 1986—489-288 23-0918760

Form **4562**

Department of the Treasury
Internal Revenue Service (O)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No 1545-0172
1986
Attachment Sequence No. **67**

Name(s) as shown on return

Identifying number

Business or activity to which this form relates

Part I Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)
See instructions under Items You Should Note for new rules for certain assets placed in service after July 31, 1986.

Section A.—Election To Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h)		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* **ONLY** *during tax year beginning in 1986*					
a 3-year property					
b 5-year property					
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
h 19-year real property					
5 Listed property—Enter total from Part III, Section A, column (g)					
6 ACRS deduction for assets placed in service prior to 1986 (see instructions)					

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	

Section D.—Summary

9 Depreciation from Form 4562A (see instructions)	
10 Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service **only** during tax year beginning in 1986					
2 Amortization for property placed in service prior to 1986					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Form **4562** (1986)

Part III Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement (Listed Property).
If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (If automobiles and other listed property placed in service after June 18, 1984, are used 50% or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)

Do you have evidence to support the business use claimed? ☐ Yes ☐ No If yes, is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis (see instructions for leased property)	(e) Basis for depreciation (Business use only—see instructions)	(f) Depreciation method and recovery period	(g) Depreciation deduction	(h) Section 179 expense
Total (Enter here and on line 2, page 1.)							
Total (Enter here and on line 5, page 1.)							

Section B.—Information Regarding Use of Vehicles
Complete this section as follows, if you deduct expenses for vehicles.
- *Always complete this section for vehicles used by a sole proprietor, partner, or other more than 5% owner or related person.*
- *If you provided vehicles to employees, first answer the questions in Section C to see if you meet an exception to completing this section for those items.*

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5		Vehicle 6	
1 Total miles driven during the year												
2 Total business miles driven during the year												
3 Total commuting miles driven during the year												
4 Total other personal (noncommuting) miles driven												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
5 Was the vehicle available for personal use during off-duty hours?												
6 Was the vehicle used primarily by a more than 5% owner or related person?												
7 Is another vehicle available for personal use?												

Section C.—Questions for Employers Who Provide Vehicles for Use by Employees.
(Answer these questions to determine if you meet an exception to completing Section B. **Note:** *Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)*

	Yes	No
8 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
9 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
10 Do you treat all use of vehicles by employees as personal use?		
11 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?		
12 Do you meet the requirements concerning fleet vehicles or qualified automobile demonstration use (see instructions)? **Note:** *If your answer to 8, 9, 10, 11, or 12 is "Yes," you need not complete Section B for the covered vehicles.*		

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Form **6251**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

OMB No 1545-0227
1986
Attachment Sequence No **32**

Name(s) as shown on tax return | Identifying number

1	Adjusted gross income (see instructions)		1
2	Deductions (Individuals, attach Schedule A (Form 1040))(see instructions)		
a	(1) Medical and dental expense from Schedule A, line 5	2a(1)	
	(2) Multiply Form 1040, line 33, by 5% (.05)	2a(2)	
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero.)	2a(3)	
b	Contributions from Schedule A, line 18, **OR** Form 1040, line 34d	2b	
c	Casualty and theft losses from Schedule A, line 19	2c	
d	Qualified interest on property used as a residence (see instructions)	2d	
e	(1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	
	(2) Net investment income (If zero or less, enter zero)	2e(2)	
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	
f	Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
g	Estate tax allowable under section 691(c) from Schedule A	2g	
h	Estates and trusts only. Charitable deduction and income distribution deduction	2h	
i	Add lines 2a(3), b, c, d, e(3), f, g, and h		2i
3	Subtract line 2i from line 1		3
4	Tax preference items		
a	Dividend exclusion	4a	
b	60% capital gain deduction	4b	
c	Accelerated depreciation on nonrecovery real property or 15-, 18-, or 19-year real property	4c	
d	Accelerated depreciation on leased personal property or leased recovery property other than 15-, 18-, or 19-year real property	4d	
e	Amortization of certified pollution control facilities	4e	
f	Mining exploration and development costs	4f	
g	Circulation and research and experimental expenditures	4g	
h	Reserves for losses on bad debts of financial institutions	4h	
i	Depletion	4i	
j	Incentive stock options	4j	
k	Intangible drilling costs	4k	
l	Add lines 4a through 4k		4l
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)		5
6	Enter: $40,000, if married filing joint return or Qualifying widow(er) $30,000, if single or head of household $20,000, if married filing separate return or estate or trust		6
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form		7
8	Enter 20% of line 7		8
9	Amount from Form 1040, line 49, or Form 1040NR, line 49. (Do not include Form 1040, line 39, or Form 1040NR, line 40.) (Estates and trusts, see instructions.)		9
10	Subtract line 9 from line 8. If zero or less, enter zero		10
11	Foreign tax credit		11
12	ALTERNATIVE minimum tax (subtract line 11 from line 10). Enter on your tax return, on the line identified as alternative minimum tax		12

Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice. — We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File. — File this form if: (a) You are liable for the alternative minimum tax, **or** (b) you have one or more tax preference items on lines 4c through 4k, **or** (c) your adjusted gross income is more than line 6 and you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see **Publication 909**, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s). — If a net operating loss carryover from an earlier year(s) reduces taxable income for 1986 and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1986. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 51, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc. — If you are a *(1)* Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items. *(2)* Beneficiary of an estate or trust, see section 58(c) and the line 4(l) instructions. *(3)* Participant in a common trust fund, see section 58(e). *(4)* Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits. — It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

***Note:** If you have an earned income credit, you must reduce that credit by any alternative minimum tax.*

Line-by-Line Instructions

Line 1, Estates and Trusts. — Adjusted gross income is figured in the same way as for an

Form **8396**
Department of the Treasury
Internal Revenue Service

Mortgage Interest Credit

(For Qualified Mortgage Credit Certificate Holders)

▶ Attach to Form 1040.

OMB No 1545-0930
1986
Attachment Sequence No **53**

Name(s) as shown on Form 1040 | Social security number

Enter the address of your principal residence on which the credit is claimed if it is different than the address shown on Form 1040.

Part I Computation of Mortgage Interest Credit

1	Interest paid on the certified indebtedness amount. (Enter your share of interest paid if two or more persons hold an interest in the residence.)	1
2	Certificate credit rate shown on mortgage credit certificate	2
3	Multiply line 1 by line 2. Reduce your mortgage interest deduction on Schedule A (Form 1040) by this amount. If line 2 is more than 20%, do not enter more than $2,000 on this line. (See instructions for **How To Figure the Credit.**)	3
4	Credit carryforward from 1985 (line 10 of your 1985 Form 8396). If zero, enter zero	4
5	Add lines 3 and 4	5
6	Enter the amount of tax shown on Form 1040, line 40	6
7	Add lines 41, 42, 43, and any residential energy credit carryforward (REC) written in on line 44 from Form 1040, and enter the total	7
8	Subtract line 7 from line 6. If zero or less, enter zero	8
9	Enter the smaller of line 5 or line 8. Also enter on the dotted line next to line 44, Form 1040, and write "MIC" (see line 9 instructions)	9

Part II Mortgage Interest Credit Carryforward to 1987. (Complete only if line 9 is less than line 5.)

10	Enter the amount from line 5	10
11	Enter the amount from line 9	11
12	Subtract line 11 from line 10	12
13	**1985 credit carryforward to 1987.** Enter the smaller of line 4 or line 12	13
14	Subtract line 13 from line 12. If zero, do not complete line 15	14
15	**1986 credit carryforward to 1987.** Enter the smaller of line 3 or line 14	15

General Instructions

Paperwork Reduction Act Notice. — We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form. — Form 8396 is used to figure your mortgage interest credit and any carryforward you may have to a subsequent year.

Who May Claim the Credit. — You may claim the credit if you were issued a qualified mortgage credit certificate under a qualified mortgage credit certificate program, and the residence to which the certificate relates is your principal residence. You may not claim a credit if the interest on the mortgage for which the credit certificate was issued is paid to a related person. Get **Publication 545,** Interest Expense, for more information on related party transactions.

How To Figure the Credit. — The credit is figured by multiplying the amount of interest paid during the year on the loan amount covered by the certificate by the certificate credit rate shown on your certificate.

If the certificate credit rate is more than 20%, your credit is limited to $2,000 or your share of the $2,000 (if two or more persons own the residence). When two or more persons hold an interest in the residence, the credit must be allocated in proportion to the interest held.

***Note:** If the only two persons holding the interests are married filing a joint return, the credit does not have to be allocated.*

Home Mortgage Interest Expense on Schedule A. — Interest paid on the loan amount specified on your mortgage credit certificate can be deducted on Schedule A (Form 1040), but you must reduce the interest by the amount of the credit shown on line 3. Use the amount on line 3 even if part of the mortgage interest credit is carried forward for use in a subsequent year.

Carryforward of Unused Credit. — Your mortgage interest credit may not exceed your tax liability for the tax year (line 40, Form 1040), reduced by any other personal credits you are entitled to on lines 41, 42, 43, and any residential energy credit carryforward (REC) written in on line 44 of Form 1040. If your mortgage interest credit is more than your tax liability reduced by the other personal credits, you may carry forward the unused portion of the credit to your next 3 tax years or until used, whichever comes first. Because the credit can only be carried forward for 3 years, you will have to keep track of the unused credit by year. The current year credit is applied first and then the earliest year(s).

***Note:** If you are subject to the $2,000 credit limitation because your certificate credit rate is more than 20%, no amount over the $2,000 (or your prorated share of the $2,000 if you must allocate the credit) may be carried forward for use in a subsequent year.*

Specific Instructions

Line 1. — Enter the interest paid during the year on the loan amount shown on your mortgage credit certificate. In most cases, this will be the amount shown on **Form 1098,** Mortgage Interest Statement, or on a similar statement that you receive from your mortgageholder. If two or more persons held interests in the residence, enter only the interest you paid. If the loan amount (certified indebtedness amount) shown on your mortgage credit certificate is less than your total mortgage loan, get **Publication 530,** Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments, for an example of how to figure the interest for this line.

Line 2. — The certificate credit rate can be found on the mortgage credit certificate you were issued.

Line 9. — After you enter your mortgage interest credit on the dotted line next to line 44 (Form 1040), be sure to add any other personal credits you may have on lines 41, 42, 43, and any residential energy credit carryforward (REC) written in on line 44 to the mortgage interest credit, and enter the total in the entry space for line 44.

Lines 13 and 15. — These lines show the amount of unused credits, if any, that are carried forward from 1985 and 1986 to 1987. Be sure to keep a copy for your records because you will need this to figure your credit in 1987.

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Section 7

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